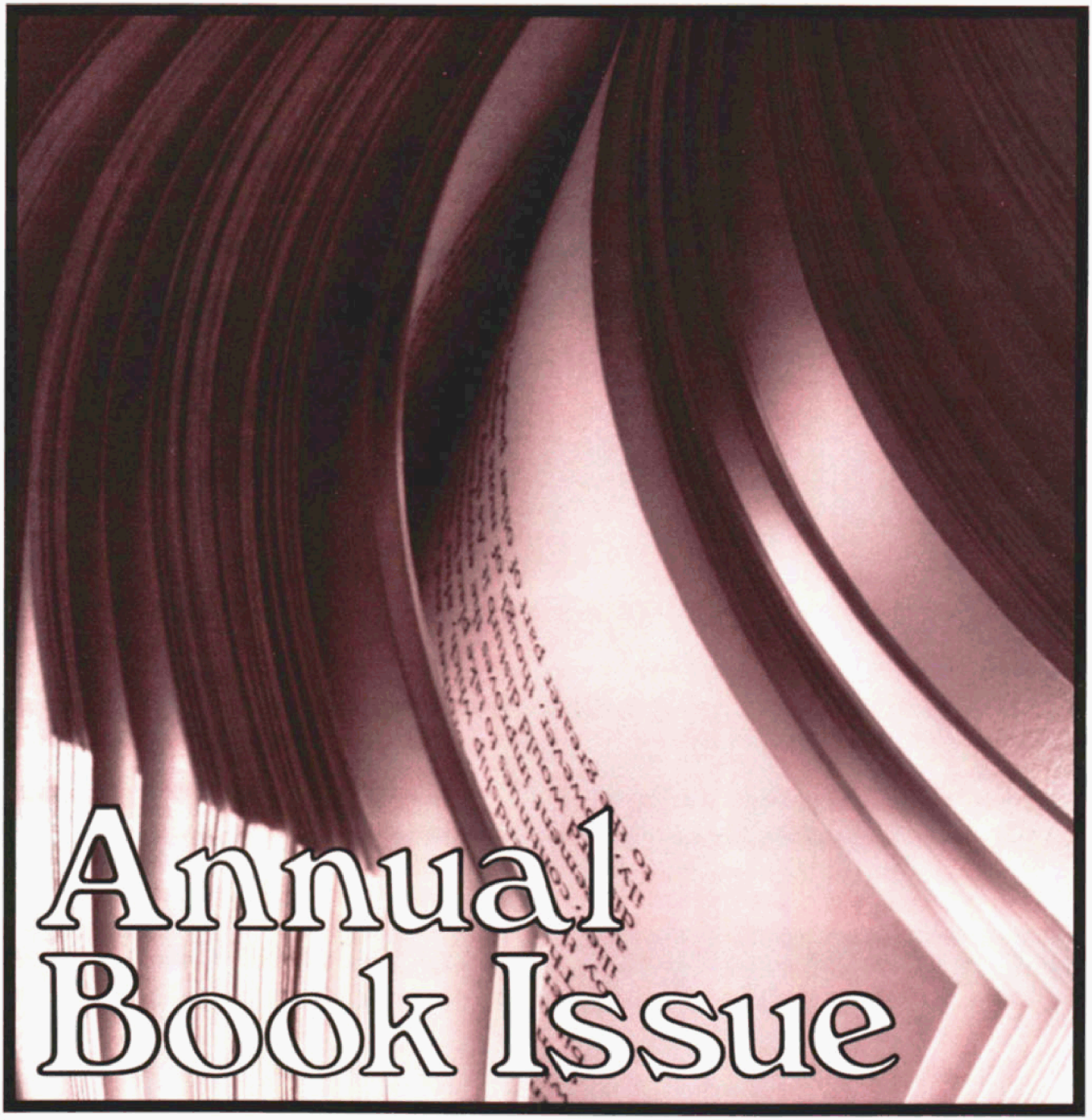
reason DECEMBER 1978 $2.50



James Buchanan on William Simon's *A Time for Truth* • Alan Reynolds on Jude Wanniski's *The Way the World Works* • Robert Nozick on Michael Walzer's *Just and Unjust Wars* • John McClaughry on Martin Mayer's *The Builders* • Plus reviews of *Psychobabble, The Servile State, The Totalitarian Temptation, Exuberance, The Passions and the Interests,* and other important books.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Ergo . . .

Ours Is To Reason Why

Ergo is the student libertarian weekly published at MIT for subscribers and campus readers. Now in its tenth year, **Ergo** reports on current issues — on politics, economics, education, philosophy, literature and music. **Ergo** commentary emphasizes a systematic, integrated approach, an approach which advocates reason, rational egoism and individual rights as the foundation of political liberty. Ayn Rand's philosophy of Objectivism provides the basic frame of reference for our commentary and analysis. (We have, however, no connections with either Rand or her associates.)

Recent **Ergo** articles have covered:

- Can computers think?
- The Proposition 13 movement
- Ayn Rand at Boston's Ford Hall Forum
- The ERA extension controversy
- Discussion at MIT of philosophers Rawls and Nozick
- FTC attack on ad "images"
- Opposition to licensing of engineers
- A "What is Philosophy" lecture series by the MIT faculty
- The Bakke decision
- Book reviews of Simon's *A Time for Truth* and Christie's *Sleeping Murder*

The current state of academia and education is of particular importance to **Ergo**. We carry on an uncompromising editorial campaign against the anti-individualist bias in the School of Humanities and Social Sciences at MIT — and because of the fundamental role of philosophy in human affairs, we have focused especially on philosophy. The emphasis is on MIT but the issues are the same in the culture at large.

Philosophical topics covered in past years have included:

- The importance of philosophy
- Analytic philosophy at MIT
- Morality and abortion
- Ideas versus peer-group pressure
- MIT lectures on contemporary logic, theory of knowledge, ethics and metaphysics

Ergo

. . . The Campus Voice of Reason

New York Looting: Egalitarianism in Action

Newswatch

Letter to the Editor

Can Computers Think?

What is Ergo?

"The journalistic as well as philosophic integrity of **Ergo** *has been outstanding. The tone has always been civil, but not without the needed bluntness of justice, where justice was due. The topics covered have always held my interest. I am looking forward to more and more of* **Ergo**."
— Dr. Tibor Machan

Ergo
Dept. R
3 Ames St.
Cambridge, MA 02139

Please enter my subscription to **Ergo**.

Enclosed is my check for:
☐ $10.50/1 year ☐ $19/2 years (1st class)
☐ $ 5.50/1 year ☐ $10/2 years (3rd class)
☐ $ 9.00/4.50 — 1 year gift subscriptions (current subscribers only)

Name _____

Address _____

_____ Zip _____

Ergo — published weekly during the academic year.

reason

A forum for analysis and commentary, with an emphasis on individual liberty. DECEMBER 1978/VOL. 10, NO. 8

FEATURES

TRUTH AS BESTSELLER
By James M. Buchanan 16

HARD THOUGHTS ABOUT WARFARE
By Robert Nozick 18

TAX-REVOLT BIBLE
By Alan Reynolds 20

THE LANGUAGE OF INTERMINABLE INTROSPECTION
By Cheri Adrian 22

CHOOSING AN "ISM": TWO FLAWED VIEWS
By Eric Mack 24

THE DETECTIVE AS TRUTH-SEEKER
By Lester H. Hunt and Deborah Katz Hunt 27

A PLAGUE ON ALL YOUR HOUSES
By John McClaughry 30

SCIENCE STANDING ON TIPTOES
By Robert Prehoda 33

THE GENESIS OF THE INVISIBLE HAND
By David L. Norton 36

EXPLAINING SCIENTIFIC GENIUS
By Morton L. Schagrin 38

PROMETHEAN LIVES
By James E. Chesher 40

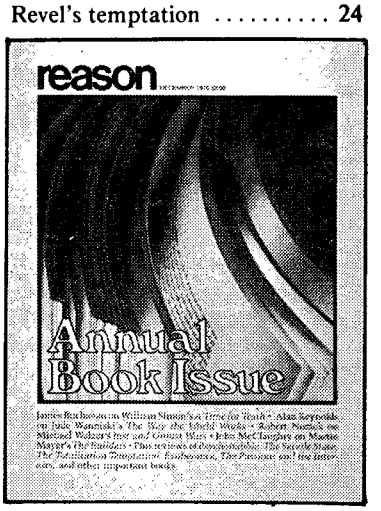
SORTING OUT THE NEW ECONOMICS TEXTS
By Gene Smiley 42

MEETING OF THE (FREE) MINDS
By Tibor R. Machan 47

Simon: uncomfortable truths .. 16

Walzer on warfare 18

Revel's temptation 24



Cover photo by Jeffrey Hetler

DEPARTMENTS

EDITORIAL/Homosexual Teachers and Public Schools 6

VIEWPOINT/Optimism and Pessimism in Hong Kong 50

MONEY/1979: Year of the Dollar? 51

SPOTLIGHT/Economics Educator 52

LETTERS 4
BRICKBATS 11
TRENDS 12
MOVIES 53
RUDEBARBS 54
CLASSIFIEDS 58

REASON is published monthly by the Reason Foundation 1129 State St., #4, Santa Barbara, CA 93101. Tel. (805) 963-5993. Second class postage paid at Santa Barbara, CA and at additional mailing offices. Postmaster: Please send Form 3579 to REASON, Box 40105, Santa Barbara, CA 93103. Copyright © 1978 by the Reason Foundation. All rights reserved. Opinions expressed in signed articles or columns do not necessarily represent the view of the editors.

CORRESPONDENCE: Address comments, manuscripts (for return, please include a self-addressed, stamped envelope), classified ad orders (with full payment) and subscription orders to REASON, Box 40105, Santa Barbara, CA 93103. Two copies of manuscript required. Author information sheet available on request. Address mail concerning display advertising to Media Selection Corp., Box 296, Goleta, CA 93017.

CHANGES OF ADDRESS: Please allow six weeks for change of address. Send address label and new address to Circulation Dept., REASON, Box 40105, Santa Barbara, CA 93103. Requests for missing issues due to late notice of change of address, or older than two months from current date, will not be honored unless accompanied by payment.

ISSN 0048-6906

reason

EDITOR
Robert Poole, Jr.

ASSOCIATE EDITOR
Marty Zupan

SENIOR EDITORS
Tibor R. Machan
Manuel S. Klausner

CONTRIBUTING EDITORS
David Brudnoy
James Dale Davidson
Edith Efron
Mark Frazier
John Hospers
Eric Mack
Henry G. Manne
Karl Pflock
Alan Reynolds
Murray Rothbard
Thomas Szasz

FOREIGN CORRESPONDENTS
Prakash Aswani/Middle East
Anne Brincker/Denmark
Ole-Jacob Hoff/Norway
Bob Howard/Australia
A. Michael Keerma/Canada
Riccardo La Conca/Italy
Henri LePage/France
Guy de Maertelaere/Belgium
H. Joachim Maitre/West Germany
N. G. Molinelli/Argentina
Michael van Notten/The Netherlands
Pauline Russell/England
Marc Swanepoel/South Africa

DEPARTMENTS
Bill Birmingham/Brickbats
Tim Condon/Taxes
John Hospers/Movies
Randall K. Hylkema/Rudebarbs
John R. Lott/Spotlight
Mark Tier/Money
Robert Poole, Jr./Trends

ART DIRECTOR
Don Wood

TYPESETTING
Jean Graphics

STAFF
Annarose Aker
Elizabeth Anderson
Ashley Brooks
Debra Duke
Merton Fine
Louis A. Rollins

ADVERTISING: REASON is represented for display advertising by Media Selection Corp., Box 296, Goleta, CA 93017. Tel. (805) 964-3561, Jim Lance, president. Obtain rate card before sending copy. Send classified ad orders with full payment, to Reason Classifieds, Box 40105, Santa Barbara, CA 93103.

SUBSCRIPTION RATES: Single copies, $1.50. Special issues, $2.50. REASON publishes two Special Issues annually, which are sent to subscribers at no extra cost. Subscriptions: one year (12 issues) in the United States, $15.00; 2 years, $24.00; 3 years, $32.00. Other countries: add $1.50 extra per year.
BACK ISSUES: Write for back issue list for current prices. Volumes 1-4 are available on microfilm from University of Southern California Library Micrographics Dept., University Park, Los Angeles, CA 90007. Volumes 5 and up are available from Xerox University Microfilms, 300 North Zeeb Road, Ann Arbor, MI 48106. Indexed in *Historical Abstracts* and *America: History and Life.*

letters

Union Prisoners

US Ambassador Andrew Young underestimated when he said "perhaps thousands were political prisoners in this nation." I refer to black teenagers and others who have been relegated to unemployment due to the minimum wage (laws); swindled out of the opportunity to gain skills in the marketplace.

The most powerful political machine in the nation, the trade unions, encouraged and permitted by the federal government, are literally holding millions hostage to the idea that more pay for less or the same work is right. Not an original view on my part. The distinguished Jamaica-born black economist Sir Arthur Lewis said in the *Chicago Tribune*, "The trade unions are the black man's greatest enemy in the United States." Booker T. Washington was a life-long foe of trade unions, and W. E. B. DuBois called them the "greatest enemy of the black working man." I say they are Uncle Sam's Apartheid [August].

What do (these) enemies engage in when they want to eliminate competition? They make all youth, regardless of color or ethnic background, political prisoners in the strictest sense of the word. The wage laws separate them from the real world just as effectively as physical bars. At least hard steel would mean a square meal and a bed.

Mr. Young's only "crime" was to derate the enormity of the problem. But he spoke courageously; he said what was right. He stated what others dare not say. What he started, I hope will not end. Fearless Mr. Young, I believe, let the truth come from his heart.

C. F. Dockstader
Yucalpa, CA

More on Abortion

Mr. Birmingham [Brickbats, August] said that the Catholic Defense League has launched a tax strike because it wants a "'Human Life Amendment' to guarantee every fetus a free lunch 'from the moment of conception' after which the IRS may plunder *ad libitum* in the name of 'godly social engineering.'" There are a number of versions of the proposed HLA before Congress, but none that I have seen do more than support the right of each of us not to be killed by aggression from the moment of conception until natural death. Can Mr. Birmingham cite one HLA that does provide for the "'equitable redistribution of wealth'"? If he can't, he should print a retraction. Many pro-lifers recognize that government-funded child support programs are morally objectionable and they are receptive to the libertarian arguments against them....

Couldn't Mr. Birmingham have managed to give one cheer for the tax strike at least?

And in his letter [August] Mr. Lorenz tries to justify abortion in the case of rape by comparing this problem to that of unconscious Jane who lacks proper kidney function and is hooked up to Victoria, an unwilling host. There are important differences between the two cases which cause this analogy to fail. Jane's life-threatening condition pre-existed the connection and is in no way caused by Victoria. On the other hand, the child's condition did not pre-exist his connection and is biologically caused by his mother in part. Jane's life is threatened not by Victoria but by her own sick body; but the child's life is threatened not by his own body but by his mother. Severing Jane's connection would restore her to her previous endangered condition, but severing the child's connection would cause his condition to become endangered. The child cannot be restored to his previous non-existence which is not the same non-existence as death from a philosophical point of view. Neither Victoria nor the mother are morally responsible for their associates' situations. Nevertheless, since neither has any right to choose to aggress, neither is entitled to directly kill Jane or the child....

Doris Gordon
Coordinator
Libertarians for Life

Errata

In the November issue, we failed to get three photo credits right. **Albert Zlabinger** did us the favor of allowing us to use his photos of William Niskanen, and the appropriate credit line did not appear in the final copy of the issue. **Robert B. Slobins** provided the photo of author Sarah E. Foster and was not so credited. And we misspelled the name of **Kelley Dwyer,** who took the cover photo.—**Eds.**

(Continued on p. 8.)

A Publication of
Alpine Enterprises
Volume I, No. 1

THE Conspiriologist

AN ACCESS CATALOG FOR ADVANCED STUDENTS OF CONSPIRACY THEORIES

CONSPIRACY DIGEST
IN THIRD YEAR OF PATHBREAKING PUBLICATION!

Alpine Enterprises Announces:

NEW POLICY ON RARE BOOKS

The rapidly growing interest in ruling class/conspiracy theories in Right, Left, and Libertarian political circles has created explosive demand for the rare, hard-to-find, and out-of-print classics in the field. While this brisk demand has enabled *Alpine Enterprises* to remain in business during a time when the mail order industry is being laid low by absurd postal rate hikes, problems have also been created. Many books that we used to supply routinely for less than $10.00 now command prices from $20.00-$50.00 and require an unpredictable wait. It has become impossible to stock at preset prices many of the books we used to carry.

This new situation has forced us to create a new policy as follows:

1. Only the books advertised at set prices in the *Conspiriologist* are stocked for immediate shipment. Only these books can be ordered with confidence of immediate shipment and price stability.
2. For our full list of books, you should order a back issue of our previous tabloid catalog: *The Suppressed Truth Review.* While prices are often out-of-date, you will find the book descriptions extremely valuable.
3. Books not listed in the *Conspiriologist* but listed in the *Suppressed Truth Review* may be purchased on an inquiry basis only. Just send in a list of the books you want and we will return our asking price and availability information. You may include a bid if you so desire.
4. We will search any book you desire for $1.00 search fee. There is no search fee for books listed in *Suppressed Truth Review.*

OCCULT TECHNOLOGY OF POWER PUBLISHED IN HARDCOVER

Alpine Enterprises grew out of an unexpected response to its vanity publication in 1974 of a strange book titled *The Occult Technology of Power (OTP).* While initial response was slow due to confusion concerning the word "Occult" which was used in the pristine sense of "hidden" rather than the vulgar sense of "mystical," word of mouth promotion soon led to a steady stream of urgent letters requesting information on how to obtain the rare books in *OTP's* bibliography.

The *Occult Technology of Power* is a masterpiece in a class of its own. Written from the point-of-view of master conspirators instructing one of their own of the intricacies of their power and statist-economic manipulations, *OTP* is a powerful force in bringing the day that such conspiracy becomes impossible and a subject of historical interest only.

OTP has an uncanny ability to make scornful doubters take a second look, and then, an about face. Apparently, evil is so foreign to decent folk that only a first person narrative is capable of breaking through the fallacy of projecting "good intentions."

Joly's *Dialogues in Hell Between Machiaveli and Montesquieu* captured something of the same magic. In fact, the magic was so strong that the Czar's totalitarians plagarized it and perverted it into an anti-Semitic diatribe that has since been used as propaganda to prop up tyranny by Hitler and Nasser. Fortunately, *OTP's* message is thoroughly pro-liberty, anti-State, and cannot be perverted to serve State tyranny as was the earlier Joly work.

The *Occult Technology of Power* is must reading for anyone who enjoys an intellectual challenge.

"AVAILABLE AS FREE GIFT WITH CONSPIRACY DIGEST SUBSCRIPTION"

CONSPIRACY DIGEST SUBSCRIPTIONS:

NOW A BARGAIN YOU CAN'T REFUSE!

At the same time we find it nearly impossible to keep up with the orders from advanced students for rare and out-of-print original source materials, we find that we have over-stocked a wide variety of paperback introductory materials, reprints of once rare research materials, and pamphlets. In an effort to reduce this costly inventory accumulation without suffering a severe loss, we are offering these books as inducements for *Conspiracy Digest* subscribers. By this approach we hope to recover cost on over-stocked items and, at the same time, build the number of *Conspiracy Digest* subscriptions to or past the break-even point.

In any case, Conspiriologists have a golden opportunity to obtain a trial subscription to *Conspiracy Digest* and at the same time acquire a plethora of books at no additional cost. This offer will not be repeated when over-stocks have been reduced.

We are confident that once a *Conspiracy Digest* subscriber, always a *Conspiracy Digest* subscriber, and that, thereby, we will make out in the long run.

Books available as free gifts are listed on pages with headline, "FREE GIFTS."

CONSPIRACY VS. LIBERTY

WHY PROPONENTS OF LIBERTY MUST NOT IGNORE CONSPIRACY

Unless a computer list mistake has occurred, I would be wasting ink arguing to you that economic, political, and personal liberties have suffered severe blows from big government in America, to say nothing of in the rest of the world. (You already agree.)

The question is, *Why?* If liberty is so demonstrably beneficial to the vast majority of the people, both for their physical and spiritual well-being, why are the people so opposed to it? Everyone who is interested in this question has their favorite answer: laziness, greed, subjectivity, genetic deterioration, complexity of technology, alienation, low I.Q., innate envy, the nuclear family, the break-down of the nuclear family, religion, the lack of religion, rationality, lack of reason, faith, lack of faith, etc., etc.

While all these factors and more may contribute to making a particular individual more likely to reject liberty in favor of big government dependence, we do not believe that they are *causal* factors.

A primary datum to be considered is the division of labor. To master the pros and cons of liberty, especially in economics, a great deal of time, effort, and reading is required. Thus, the vast majority of people simply *cannot* decide these issues through first-hand analysis.

The next obvious question is *who* does their thinking for them? True, a few intellectuals like Ludwig von Mises, Murray Rothbard, Ayn Rand, von Hayek, Milton Friedman, etc., attempt and succeed to an extent in making their living presenting the case for liberty in an organized form that segments of busy humanity will hopefully have time to study.

As everyone knows, their voices are drowned out by the advocates of tyranny. Why? Milton Friedman has suggested that there is a *demand* for economic nonsense and unprincipled intellectuals simply respond to that "free market" demand for nonsense. We believe that this view is more than paradoxical. It is incorrect.

We believe that the economic nonsense which rationalizes tyrannous big government is subsidized to the extent required to keep such opinions dominant in the culture by the vested interests which profit from government control. For now, we can leave open the question as to whether these vested interests form a monolithic, interlocking network that culminates in the authority of David Rockefeller as Chairman of the Chase Manhattan and the Council on Foreign Relations (or Lords Rothschild, Royal Institute?) In any case, we do not believe that it is a coincidence that government control systematically achieves the opposite of the alleged "egalitarian" intent.

While it may not be obvious at first, the above insight will accomplish a revolution of educational tactics in the movement for liberty. The task of converting humanity into billions of economic experts will finally be recognized futile and laughably hopeless. Instead, educational efforts can be directed toward the far easier (but admittedly not simple) task of exposing the real enemies of mankind—the powers behind the state—the profiteers of government coercion. In this happy task the movement for liberty shall have the powerful forces of envy and resentment on their side for a change! And the "envy" so mobilized to destroy government tyranny will be the rational, justified envy (would outrage be a better word?) of the oppressed against real oppressors!

Believe it or not, victory for liberty could be closer than you think!

"CONSPIRACY EXPOSÉ IS THE MOST EFFECTIVE WAY TO FIGHT *AGAINST* BIG GOVERNMENT TYRANNY AND *FOR* INDIVIDUAL LIBERTY"

☐ THIS REPRINT OF THE FRONT PAGE OF THE ***CONSPIRIOLOGIST*** HAS ROUSED MY INTEREST! I ENCLOSE $2.00 FOR A COPY OF THE WHOLE 12 PAGE TABLOID CATALOG.

☐ I ENCLOSE ANOTHER $1.00 FOR THE ***SUPPRESSED TRUTH REVIEW.***

☐ I ENCLOSE $8.95 FOR ***THE OCCULT TECHNOLOGY OF POWER.***

☐ I WANT A YEAR'S SUBSCRIPTION TO ***CONSPIRACY DIGEST.*** (4 ISSUES) I ENCLOSE $20.00.

AMOUNT ENCLOSED _____

NAME _____

ADDRESS _____

_____

MAIL ORDER FORM & CHECK TO:

ALPINE ENTERPRISES
Box 766
Dearborn, Michigan 48121

Homosexual Teachers and Public Schools

editorial

By the time this issue of REASON appears in print, California voters will have decided the fate of the Briggs Initiative. Named after the conservative state senator who sponsored it, the measure would make the practice or advocacy of homosexuality grounds for firing public school teachers.

Thus, even heterosexual teachers who, on their own time, take part in gay-rights activities would be in jeopardy of losing their jobs. And single male teachers would be in particular danger of harassment by disgruntled students, lobbing false accusations of homosexuality to "get even" for low grades or disciplinary action. The horrendous possible consequences of such a law led many fair-minded Californians—including conservative former governor Ronald Reagan and most of the state's newspapers—to oppose the initiative.

Yet because homosexuality was involved, the measure was supported by some people otherwise firmly committed to individual liberty. One such person, a long-time libertarian, told me that he'd do whatever it took (within the law) to make sure that no homosexual would ever teach his six-year-old son. And although he is sending the boy to a private school, he planned to vote for the initiative in sympathy with parents of the same views who cannot afford private schools.

Some would dismiss this line of thinking as obvious bigotry, but they would be prejudiced to do so. They would be open to the charge that *they* ignore the very real values and concerns of millions of Americans, many of whom honestly believe that sexual identity is a character and personality trait parents should cultivate in their children. The issue is not one that a responsible parent can just leave to the current trends in public policy, because the proper upbringing of one's child is not a matter for *public* policy.

Nevertheless, there are several strong arguments against laws like the Briggs Initiative. First of all, for the State to be able to punish people for their point of view is a dangerous power—no one who values liberty should find it difficult to appreciate this.

Second, there is no conclusive scientific evidence that just being a homosexual engaged in teaching math, history, music, etc. need have any role-modeling function—any more than being a liberal or a democrat or a racist need have such a function when one is engaged in teaching. And when we consider that schools expose children to many types of personalities, with a great variety of character traits, we can assume that parental influence plus a child's independent judgment could still manage to offset whatever impact this exposure might create.

Third, there is no clear evidence that homosexuality, as opposed to paranoia or kleptomania, for example, is a psychological or moral shortcoming. Those who practice it cannot simply be judged sick or evil. Nor is homosexuality, per se, an aggressive disposition; so taking special legal action against homosexuals absent aggressive conduct constitutes an advance assumption of guilt.

Fourth, as the Supreme Court long ago affirmed in *Brown* v. *Board of Education,* the 14th Amendment will not permit laws that require or permit tax-funded institutions to arbitrarily exclude one segment of the tax-paying public—and homosexuals are taxpayers and citizens like the rest of us.

The *real* problem with this issue lies in the nature of public schools. By definition, such schools seek to be all things to all people and, of course, end up being not very much to anyone. What one set of parents wants for their children is seldom the same as what others want. And not all children, even from the same family, benefit from the same type of educational arrangement. The three Rs versus progressive education, strict discipline versus complete freedom, religious values versus a value-free orientation—how can any single school system satisfy such a diversity of demands? The honest answer is that it cannot, and we should cease trying to make it do so.

The "homosexual teacher" battle has been fought time and again in American public schools, under other names. A few of its recent versions include:

- The school prayer controversy
- The whole sex-education battle
- Evolution versus creationism in science classes
- Secular humanism (especially in the social science series "Man: A Course of Studies" [MACOS]).

But it surfaces even in more mundane fights like whether or not to give spankings or serve "junk food" in the cafeteria.

This should not be surprising, though. Socialist institutions—ranging from the public schools to the post office to Moscow's GUM department store—are notoriously unresponsive to diverse needs. They are set up to serve the masses, in a mass-produced, least-common-denominator fashion. They do not respond to the preferences expressed in the marketplace, since their customers are essentially forced to deal with them.

We do not supply food in this brute-force, inefficient way, even though food is presumably a more basic necessity of life than is schooling. We have left the production and distribution of food (largely) to the marketplace—and with overwhelming success.

The same can and should be done with education. People may differ on the best means of breaking the public school monopoly—whether by means of vouchers, tax credits, encouraging mass withdrawals from public schools in favor of home tutoring, or what have you. But there should be no disagreement on the ultimate goal: the complete desocialization of American education.

The late, great libertarian writer Frank Chodorov remarked at the height of the McCarthy era that the way to get rid of Communists in government jobs was to get rid of the government jobs. Those who don't want homosexuals teaching their children should take Chodorov's message to heart.

Robert Poole, Jr.

How to make "Proposition 13" government work all across the country—and especially in Washington

Yes, we CAN get rid of big government. David Friedman has fresh, sometimes startling ideas

- "Greedy capitalists get money by trade. Good liberals steal it."
- "Special interest politics is a simple game. A hundred people sit in a circle, each with his pocket full of pennies. A politician walks around the outside of the circle, taking a penny from each person. No one minds; who cares about a penny? When he has gotten all the way around the circle, the politician throws fifty cents down in front of one person, who is overjoyed at the windfall. The process is repeated, ending with a different person. After a hundred rounds, everyone is a hundred cents poorer, fifty cents richer, and happy."

The libertarian case for freedom is no longer unfamiliar. But David Friedman picks up where the others leave off, in two major respects:

- His case for private property is fresh.
- He dares to go beyond attractive theory to offer arresting, *workable* ways to "sell the State in small pieces."

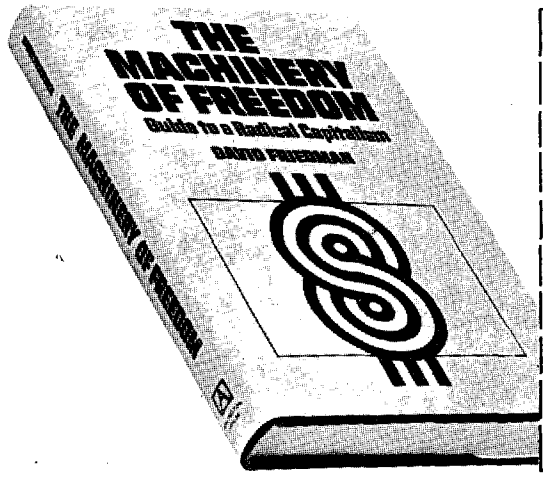
He demolishes the standard liberal arguments for the mixed economy, again offering new insights. After reading Dr. Friedman, no respectable liberal will ever again urge "human rights, not property rights" without feeling uneasy. As for "public property managed for the public good," Dr. Friedman exposes the repression lurking in a formula most people take for granted.

But David Friedman doesn't stop at theory. The book abounds with *practical* ideas for getting rid of the big-government mess. The social problems are real: schools, pollution, mass transit, many more. The author doesn't simply say individuals can handle them better. He shows us *how*.

Many will part company with the author's anarcho-capitalism: how he would move even laws, courts, police, and national defense into the private sector. But *everyone* who cares about the erosion of liberty—from conservatives to left-individualists—will find bold new ideas here. And those who still believe in government as the problem solver of first or last resort may experience a crisis of faith—if they dare risk reading David Friedman.

First published five years ago, this book appears with new material in this edition.

SAVE $10.00



CONSERVATIVE BOOK CLUB

165 Huguenot Street, New Rochelle, N.Y. 10801

Please send FREE **The Machinery of Freedom** and accept my membership in the Conservative Book Club—the only book club for political conservatives. I agree to buy 3 books from among the more than 150 to be offered in the next 15 months, after which I may resign at any time. Membership entitles me to a free subscription to the Club Bulletin, which brims with news of interest to conservatives. I am eligible to buy Club books at discounts of 20% to 50% plus shipping—books on politics, investing, social issues, religion, economics, conservative ideas, Communism, history, etc. If I want the monthly Selection I do nothing; it will come automatically about one month later. If I don't want the Selection, or I prefer one of the Alternates, I merely inform you on the handy form always provided. I'll be offered a new Selection every 24 days—15 times a year. If due to late mail delivery I get a Selection without having had 10 days to decide if I want it, I may return it at Club expense.

RE-252

NAME _____

ADDRESS _____

CITY/STATE _____ ZIP _____

☐ I don't care to join the Club but I enclose $10. Please send **The Machinery of Freedom** postpaid. 30-day return privilege.

THE FIRST WORLD & THE THIRD WORLD

ESSAYS ON THE NEW INTERNATIONAL ECONOMIC ORDER

Edited by
Karl Brunner

Contributions by
Peter T. Bauer
Karl Brunner
Harry G. Johnson
Rachel McCulloch
Daniel Patrick Moynihan
Basil S. Yamey

Hard cover, $9.95/Paperback, $3.95
Postage Paid
N.Y. residents add sales tax.

To order, or for information on quantity discounts, write:

University of Rochester
Policy Center Publications
Dewey Hall, Room 278
University of Rochester
Rochester, New York 14627

A provocative analysis of Third World demands for financial "reparations" from the First World. Challenges much of the conventional wisdom about First World guilt, who owes what to whom and what, if anything, should be done about it.

letters

(Continued from p. 4.)

Shallow Revolution

Murray Rothbard's announcement [Viewpoint, September] that "exhilarating times" are here is premature. The victory of Proposition 13 means that the public wants to cut *taxes*, not services as Professor Rothbard seems to think. Californians voted knowing about the huge state surplus available to compensate for the loss of local government revenues and could safely ignore the dire predictions of their politicians. Considering the prevailing respectability of expecting something for nothing, there is every reason to believe that in the future they will continue to insist that services and transfer payments continue as heretofore. Professor Rothbard is premature in anticipating the end of the welfare state. Let's see how California votes when the surplus runs out.

This suggests the weakness of much of the analysis one sees in REASON. Blaming the national plight on venal or power-hungry politicians lets the real culprits—the citizens at large—off the hook. The quest for security at almost any price, the reliance on State power for protection against the vicissitudes of life and the desire to be supported or subsidized by others give evidence of a moral and spiritual decline that purely economic or political arguments do not begin to address.

Proposition 13 and similar measures demonstrate that people are unwilling to *pay*, which we already knew. Where is the evidence that they are willing not to *get*?

Herbert Schlossberg
Minneapolis, MN

Re Reconstitution

There appears to be a considerable possibility that a constitutional convention will be called pursuant to resolutions of ⅔ of the state legislatures. Twenty-four states have already passed such resolutions, and California may already be the 25th. It takes 34 to mandate a call for a constitutional convention by Congress.

Although all of the resolutions by the states contain language which would limit such a convention to the consideration of amendments designed to require the federal government to balance its budget, as I read our Constitution (Article V), neither the states nor the Congress have any power to place restrictions on the matters to be considered once such a convention is called. The field would be wide open. And even if, in some theoretical legalistic sense, limitations could be placed on such a convention, in a practical sense it would not mean a thing. After all, the first constitutional convention greatly exceeded its given powers in proposing our present Constitution. Believe me, if a constitutional convention should propose, the people will be given the opportunity to dispose.

It thus behooves libertarians to be prepared for the event. At the least, they should begin formulating specific proposed amendments to be placed before the convention.

I have a considerable number ready to present when anyone is ready to consider them. It might be in order for REASON to run a department for displaying the various proposed amendments to the thought and criticism of its readers. (It is easy to write hand-waving dissertations about abstractions that will never be; it is harder to write specific language to bring about a designed, intended condition.)

If you heed my suggestion, you will surely get proposed amendments along the following lines: One month after the ratification of this amendment all government, federal, state, and local will cease to exist within the present geographical boundaries of what is known as the

The Literacy HOAX

The Decline of Reading, Writing and Learning in the Public Schools and What We Can Do About It

by Paul Copperman

President of the Institute of Reading Development, San Francisco

● ACHIEVEMENT DECLINE
Between 1966 and 1977, the percentage of students scoring above 600 on the verbal part of the SAT declined 36%, and above 700, 48%. On math the decline has been 11% and 15% respectively.

● CURRICULAR DECLINE
Publishers are rewriting their textbooks in order to reduce their readability to a level two years below the grade for which they were intended.

● GRADE INFLATION
A more liberal educational philosophy has taught America's young people that good work and hard work are almost pointless ... that there's only a tenuous relationship between effort and reward.

● THE LITERACY HOAX
Paul Copperman lays out the problems, cites their causes, and offers very real solutions.

"A timely and provocative study. It needs to be read by parents and teachers across this land."
—Edith Green, Congresswoman, former Chairman of the House Education Subcommittee

"Sensible, well documented." —*The Atlantic Monthly*

$10.95

WILLIAM MORROW

United States, its territories, possessions, or mandates. I beg of you, please heed the adage that politics is the art of the possible. You can make a defiant and futile gesture when you have a chance to *move* the system in the right direction.

W. M. Woods
Oak Ridge, TN

A Watchdog FCC?

I agree with the thrust of Steve Wright's article, "The First Amendment under Siege" [September] but found his position on the Federal Communications Commission to be somewhat muddled.

First, the "1966 crucial court ruling" to which Wright alludes was formally called the *Office of Communication of the Church of Christ* v. *FCC*. Wright alleges that the ruling entailed "a challenging 'citizens' group' that didn't even have to be capable—technically or financially—of running the station for the control of which it was petitioning." But, this is not quite accurate.

Although Church of Christ set the grave precedent of giving consumer/listener groups standing for intervention into FCC license renewal proceedings, in this particular case religious leaders were protesting the license renewal of a Jackson, Mississippi, station guilty of broadcasting racist material.

Now in the context of a fully free market, there would be absolutely no justification for a "citizens' group" to advocate government censorship of privately owned, privately run radio or TV stations—racist or not. Obviously, alternatives would be available. But since radio stations are, as matters stand, quasi-public enterprises limited in number, i.e., government-sanctioned entities which do not (but could) operate under free-market conditions, access to them may be justified based on present case law.

If a government has no right to discriminate or advocate discrimination based on race (or anything else), then it has no right to legally sanction (the licensure power) radio stations which similarly discriminate or advocate discrimination.

I am not defending the view that "citizens' groups" ought to be permitted to successfully challenge the right of broadcasters to implement their freedom of speech; I am only pointing out the complications which arise when government is involved even to a small degree.

This brings me to my second point. Instead of advocating the abolition of the FCC, Wright urges that congressional action be directed toward reducing it to "a 'watchdog' role of policing interference in the airwaves." Obviously Mr. Wright neither understands the history of the FCC Act nor realizes what happens when one accepts the principle of government intervention—even in the form of a "watchdog role."

The FCC's *original* purpose was to police the airwaves. There is also a clause in the act expressly forbidding censorship. But look at it today!

The licensure power, as Wright did point out, is one way to ensure compliance by the industry. In 1960, a second method was added when En Banc Programming Inquiry mandated 14 required program categories. This forced broadcasters to meet certain FCC programming goals. The Sonderling Broadcast Corporation case in 1973 established the censorship precedent when the FCC imposed an immediate license forfeiture on that corporation's radio station for allegedly airing "obscene material."

And Mr. Wright only wants the FCC reduced to a "watchdog role"?

Although the majority of his article made excellent points. I think Mr. Wright ought to reconsider this particular conclusion.

Mark-Stephen Schmollinger
Aurora, OH

Heartless, Brainless

Louis Segesvary's article "Spiritual Horror" [August] was indeed an exposure of the doublethink that goes on in international politics. I appreciated his insights and information.

His attributing of the Straw Man's wish for a heart, however metaphorical, is an unfortunate misnomer; anyone seeing The Wizard of Oz knows that this desire was expressed by the Tin Man, while the scarecrow looked to the wizard for a brain.

No matter: our foreign policy is being determined by brainless, heartless, cowardly creatures that are desperately in need of any number of virtues. Unfortunately, we do not have a Dorothy or a good witch around to bail us out.

As for Wizards, L. Frank Baum recognized quite readily the humbug associated with that genre.

Howard McConnell
Evanston, IL

Cover Up

Help! Help! Help! I goofed? You goofed? Last Friday my September issue of REASON arrived and I threw it into the circular file with the other junk mail and did not give it another thought. Hours later, I

For Libertarians and Freethinkers...

EXUBERANCE
A Philosophy of Happiness
by Paul Kurtz

A well-reasoned humanistic defense of freedom and autonomy as essential to happiness.
"Excellently written"
— Publishers Weekly
"A rare dividend for those who seek wisdom as well as knowledge."
— Joseph Fletcher
Cloth $8.95

ASTROLOGY DISPROVED
by Lawrence E. Jerome

The definitive scientific critique of astrology. A controversial book among both believers and nonbelievers.
"Sure to ruffle more than a few mystical feathers."
— Arizona Republic
"Jerome proves that astrology is a form of magic... and he does so very convincingly."
— Library Journal
Cloth $14.95

CLASSICS OF FREE THOUGHT
edited by Paul Blanshard

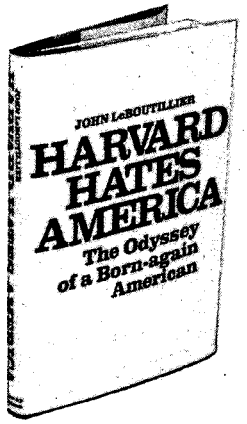
A treasury of rationalism and and religious skepticism. Essays by Voltaire, Thomas Paine, Bertrand Russell, and others.
"A good addition to any library."
— Choice
Cloth $12.95
Paper $ 5.95

WHAT ABOUT GODS?
by Chris Brockman

A bold, new children's book that approaches the subject of gods and religion with a rationalist, skeptical view. Beautifully illustrated.
Paper $3.95

Prometheus Books
1203 Kensington Ave.
Buffalo, New York 14215

Have you heard the *NEWS?*



"LeBoutillier's thoughtful appraisal of campus liberalism... demands attention. His political debut could be an exceptional event for Americans."
—*Publishers Weekly*

$7.95 hardback
In bookstores or directly from the publisher

Gateway Editions
Box 207
South Bend, Indiana 46624

pushed down the trash in that basket to compress it and decided to extricate the several pamphlets and unwanted specialty catalogs and place them in the pile of newspapers, to give more room. It was then that I saw the title of the magazine and its name at the top! What an unprepossessing, unattractive, non-cover that issue was! If I saw it on the newsstand, my eye would easily pass it over. As it was, it was similar to a leather clothing catalog and a publisher's discount book catalog.

The news, inside, under "editor's notes" that informs me that improvements in the magazine such as your new color covers continuing to be introduced on an evolutionary basis... gives me some hope, but in the future I hope your colors provide more contrast so that I can, at least, see your magazine's name!

Jean W. Thomas
Monroe, WA

Against Systems

William Bonner's article [September] on the French "new philosophers" was disappointingly misleading.

Bonner, despite his Sorbonne education, doesn't realize that these philosophers are "structuralists." They are subjectivists, mystics, irrationalists, selfless, and collectivists. They are fascist primitivists.

They are traditionalists in the deepest philosophical sense of the term. They hold that reality is chaotic but that humans possess a species and culturally determined pattern in their subconscious which somehow senses reality. Sometimes they deny reality, holding that everything is consciousness.

Their anti-statism exists solely in the context of an opposition to principled, systematic statism. They favor a concrete-bound, ad hoc statism. Their pseudo-individualism consists of a collective subjectivism in which "individuality" is the way in which each individual expresses traditional emotions. They are Kantians.

They are not rational individualists. They are extremely sophisticated mystics whose writing, expressing their anti-rationalism, is almost completely disintegrated. Here is Merleau-Ponty, perhaps their most important immediate forerunner: "Accordingly eternity, understood as the power to embrace and anticipate temporal developments in a single intention, becomes the very definition of subjectivity."

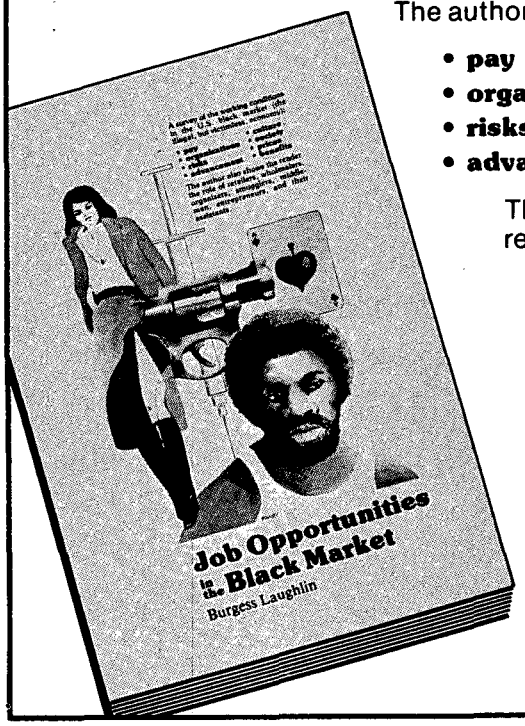
The structuralists' rejection of Marxism stems from their understanding of Marx as rational and because he was, more or less, systematic. They favor the unsystematic collectivism of traditionalism.

And when they claim that "Life is a lost cause," the structuralists do not intend either psychological or political individualism.

Stephen Grossman
New Bedford, MA

JOB OPPORTUNITIES in the BLACK MARKET

A survey of the working conditions in the U.S. Black Market (the illegal, but victimless economy).



The author covers:

- **pay**
- **organizations**
- **risks**
- **advancement**
- **culture**
- **society**
- **prices**
- **benefits**

The author also shows the reader the role of retailers, wholesalers, organizers, smugglers, middlemen, entrepreneurs, and their assistants.

PRICE	5.25
THIRD-CLASS POSTAGE, HANDLING	.75
	6.00

Send check or money order to:
EBLJ Publishers
710 SW Madison Box 706
Portland, OR 97205
Allow four weeks for mailing.

Yes to Hedonism

I completely disagree with Paul Beaird's unfavorable review of Sid Greenberg's book *Ayn Rand and Alienation* [September]. Contra Beaird, Greenberg actually has written a serious, in-depth critique that demolishes Rand's ethical system....

Beaird refers to the example of a person facing a career choice between guitar playing and writing, which Greenberg uses to illustrate one of Objectivism's major flaws: that it doesn't provide any standard for deciding between two equally pro-life options. Beaird suggests that Rand's methodology of teleological measurement provides a solution to such problems. But that isn't so. This method only counsels that one must define his hierarchy of values, which is true, but "man's life" is inadequate as a standard

(*Continued on p. 54.*)

brickbats

☐ **"Grand Prize** for calling a spade a spade: To Gerald R. Ford for referring to Aleksandr Solzhenitsyn in a private meeting as 'a goddamn horse's ass.'" Former White House press secretary Ron Nessen made the award in his recent book *It Sure Looks Different from the Inside.* In addition, says Nessen, "Ford complained that the dissident Russian writer wanted to visit the White House primarily to publicize his books and drum up lecture dates."

☐ **Let's hear it for the CIA!** They were so sure that Soviet defector Yuri Nosenko was a KGB double agent that they confined him in a secret underground vault for over three years while trying to force him to "confess." CIA spokesman John Limond Hart told the House Assassinations Committee that the agency considered (1) killing Nosenko, (2) driving him insane and having him committed, or (3) getting him committed while still sane. Ex-CIA chief Richard Helms promptly denied that the CIA had ever planned to kill Nosenko.

☐ **"The US Government** no longer considers membership in the Communist Party to be a bar to federal employment." Such was the Senate testimony of Mr. Alan K. Campbell, chairman of the Civil Services Commission, who says the CSC no longer cares about a would-be federal employee's politics unless he has committed "an overt illegal act." Naturally this set conservative columnist M. Stanton Evans to frothing about "the ongoing lunacy that has virtually destroyed the nation's internal security program." Since one must still prove his political wholesomeness (and even that of his friends and relatives) to get a security clearance, Evans must think the nation's "internal security" is imperiled by Communist infiltration of (say) the Bureau of Weights and Measures. The libertarian Frank Chodorov had the answer to *that.* At the height of the McCarthy era he argued that the way to get rid of Communists in government jobs was to abolish the government jobs.

☐ **Rhode Island** certainly has its priorities straight. Even though the schools were closed for two weeks last winter, the kids' summer vacation started on time. "The school departments and the teachers' unions in the state," says the *Washington Monthly,* "decided that the kids didn't need 180 days of school, only the teachers did. So they worked out a schedule whereby teachers—but not students—stayed an extra hour and a half at school until the time was made up."

☐ **As one might expect,** the weapons used by Nicaraguan dictator Anastasio Somoza to crush (at least temporarily) the rebellion against him came mostly from the United States. The 8,100-man Nicaraguan national guard (created by the US Marines when they installed Somoza's father as dictator in 1933) has four Sherman tanks, about 40 American-made armored cars, and 15 helicopters. They also have 5,000 M-16 rifles, "purchased from Colt," according to the Knight wire services, "under a US government license that prohibits their use for domestic police action"—which prohibition, of course, has been ignored. And arms from our Freedom Loving Allies are not lacking; the guard has several hundred Belgian FAL assault rifles, plus about 1,000 Israeli-made Uzi submachine guns and Galil rifles (a very fine weapon; comes with a built-in bottle opener). So Somoza is well equipped to carry out his threat to "give this country peace if I have to kill every other man in Nicaragua." He's already made a good start.

☐ **Let's hear it for the FBI!** In 1961, members of the Ku Klux Klan attacked two busloads of Freedom Riders in Alabama. FBI documents obtained by the ACLU show that the FBI told the Birmingham Police Department when the buses would arrive, and the department told the Klan—and agreed to stay away from the bus terminals while Klansmen attacked the civil rights workers. "We found," said one ACLU official, "that the FBI knew that the Birmingham Police Department was infiltrated by the Klan,. . . that they knew a person in [police] intelligence was passing information directly to the Klan, and they also knew that their undercover agent had worked out an agreement with the police department to stay away from the terminals. They knew all that and yet they continued their relationship with the police department." Mr. Walter Bergman, now of Grand Rapids, Michigan, was crippled for life in the attack the FBI didn't stop.

☐ **The heirs of Edgar Rice Burroughs** are suing the producers of *Tarzoon, Shame of the Jungle,* for besmirching Tarzan's image. They claim that the X-rated cartoon portrays the jungle lord as "weak, stupid, physically unattractive, cowardly, lewd, and"—horrors!—"sexually inadequate."

☐ **And Mr. Nick Belluso,** who was defeated in the Democratic primary race for governor of Georgia, is suing an Atlanta TV station for refusing to run a commercial designed to hypnotize Georgians into voting for him. (An Augusta station did run the ad, but Belluso still finished fifth in a six-man race.)

☐ **Let's hear it for the National Security Agency!** They ordered the inventors of an inexpensive new anti-eavesdropping device to keep silent about their invention or face prosecution. The device, which was developed without a penny of government money, apparently scrambles radio and telephone transmissions to prevent eavesdropping or wiretapping. It would cost less than $100 and was meant "for individuals, for private use," which the NSA considers "detrimental to national security."

—Bill Birmingham

MR. PRESIDENT- IN ORDER TO HALT INFLATION, ARE YOU NOW CONSIDERING WAGE-PRICE CONTROLS ?
HOW MANY TIMES DO I HAVE TO SAY IT ?!—
A THOUSAND TIMES NO!

trends

Scrap the FCC

The moderator of NBC's "Meet the Press" thinks the Federal Communications Commission and its regulations "ought to be scrapped in favor of free electronic media licenses, on the sole condition that stations adhere to assigned frequencies." So said Bill Monroe, NBC executive producer, as he received the Paul White Memorial Award at the Radio-Television News Directors annual meeting in Atlanta.

"I believe that the present apparatus of broadcast regulation cheats the broadcast journalist of the independence promised by the First Amendment and so cheats the American people of the vigor and diversity they're entitled to from all of our nation's media," he said. Citing the scarcity of opinion and editorials on the air, Monroe put the blame squarely on the FCC's equal-time doctrine. "The very existence of the FCC, with its compulsion to sanitize the airwaves of the unequal, the unfair, and the impure—the very existence of this federal control commission discourages the idea of assigning keen, thoughtful people to say what they want to say." For a truly informed public, we need "not only the meat and potatoes of fact and opinion. . . [but also] the vitamins and minerals of argument and debate." And this we will not have so long as the FCC maintains its Big Brother-like control over the airwaves.

Battle over Tax Cuts

All summer long and on into the fall the battle over federal tax cuts has raged. For a change, the terms of the debate revolved not around *whether* to cut taxes but over which taxes to cut, how much to cut them, and what the effects on the economy would be. Indeed, a recently convened *Time* conference of business leaders and economists reached "a surprisingly broad consensus" that "the choking grip of taxation must be loosened to let the underproductive, inflation-riddled US economy breathe more freely and create more profits, capital, and jobs."

Leading the assault on high taxes has been University of Southern California economist Arthur B. Laffer. His now-famous Laffer Curve encapsulates the obvious idea that by pushing tax rates beyond a certain level, government actually reduces its total revenues by creating disincentives—to work, to invest, and to report income to the authorities. The principal embodiments of the Laffer view were two tax-cut proposals: the Steiger bill to return the maximum capital gains tax rate to 25 percent (from 49 percent) and the Kemp-Roth bill to cut personal income taxes by one-third and corporate taxes by $15.5 billion over a three-year period. Though neither measure was passed, both set the terms of the debate that led to this year's tax cuts.

The Kemp-Roth bill was supported by most conservative and free-market economists—including Laffer, Milton Friedman, Alan Greenspan, and Herbert Stein. The latter three expressed some doubt that Kemp-Roth would actually "pay for itself" in terms of higher revenues generated by increased business activity, as did the Kennedy tax cut of 1963. But, like Irving Kristol and many other advocates, they supported it as a politically wise move toward cutting back government.

Writing in the *Wall Street Journal*, Stein said that the real case for Kemp-Roth is that "when the wage-earner gets his paycheck and sees how much has been deducted for federal taxes, he is shocked and enraged." Why? Because "he earned the money fair and square. It is his. He has plenty of things that he wants to do with it. And he doesn't want the government to take so much of it away from him." Kristol, also in the *Journal*, called Kemp-Roth a "populist remedy for populist abuses," pointing out that politically speaking, "tax cuts are a prerequisite for cuts in government spending," rather than the other way around.

Indeed, those economists who forecast huge deficits if Kemp-Roth passed typically assumed in their econometric models that tax cuts would reduce, rather than increase, the GNP. Congressional staff economist Paul Craig Roberts has been busily pointing out this kind of Keynesian flaw over the past year, to the point where Data Resources, Inc., and Chase Econometrics have revised their models. The Congressional Budget Office is having to do likewise. Roberts penned a long defense of Kemp-Roth in the *Journal* (August 1) stressing the changes in incentives to work and invest that large-scale tax cuts will create. He finds, for example, that gross savings by individuals should increase by $35 billion in the first year of a Kemp-Roth-style cut. And he notes that by the seventh year, the government would be recovering, in higher collections, 72 percent of its revenue loss from lower tax rates. The remaining deficit, he writes, "is more than covered by the increase in personal savings, retained earnings, and state and local services. Thus, the deficit puts no pressure on credit markets—that is, is not inflationary."

The debate on capital gains was no less spirited, with populist politicians speaking of tax breaks for millionaires while economists demonstrated that the Laffer Curve is *definitely* at work in upper-income brackets. (Michael Evans of Chase Econometrics showed that, after the Kennedy tax cuts, collections from those with incomes over $100,000 nearly doubled.) A Yankelovich poll for *Time* showed that 66 percent of the public favors cutting capital gains rates. And even liberals like Los Angeles mayor Tom Bradley and California senator Alan Cranston came out for the Steiger bill, on grounds that investment in new firms (which creates jobs) has virtually dried up under present capital gains rates.

Thus, the modest tax cuts enacted this fall are likely to be just a prelude to what's to come in 1979: more, and deeper, cuts in both taxes and spending.

Deregulate Rapidly

When he was in academia, economist Alfred Kahn figured that removing regulations from the economy would have to be done gradually—to prevent weaker firms from being devoured by stronger ones, to give new competition a chance to get going, and to protect the public from "predatory" pricing practices.

But being on the firing line as a regulator has completely changed Kahn's mind. "What has been greatly illuminating to me," he told the American Economic Association's annual meeting, "is how thoroughly I have been converted to the view that the only way to move is to move fast" in deregulating. As readers of this column know, Kahn, as chairman of the Civil Aeronautics Board, has indeed been moving rapidly, outstripping Congress in his drive to deregulate commercial aviation.

The American Economic Association honored Kahn by choosing him to deliver their convention's major address, the Ely Lecture. According to *Business Week*'s William Wolman, the speech "was met by loud cheers from economists across the ideological spectrum." Kahn's message was that the entire US economy—not just aviation—should be deregulated, and fast. Apparently his fellow economists are so impressed with what Kahn has wrought at the CAB that they strongly endorsed this prescription.

Break in the Ranks

Professors of Marxist economics are abandoning the most crucial feature of Marxist analysis of capitalism. The authors of the recently published *Marx's Capital and Capitalism Today*—Barry Hindess, Paul Hirst, Athar Hussain, and Anthony Cutler—argue that Marx's belief in the labor theory of value was a mistake. "The theory of value poses an obstacle to understanding how a capitalist economy works," says the University of Liverpool's Hindess. By invoking it in their analysis, "what Marxists can say about capitalism is very limited."

As reported in *Business Week*, this isn't the only element of Marxism that these new Marxist economists are rejecting. Hirst is quoted as saying that "there is no such thing as a general [Marxist] theory of prices or production," so that "the way in which firms make calculations depends on each particular situation." That this is crucial to Marxists will impress anyone who knows why there can be so much moralizing about "windfall profits," "exorbitant prices," "the filthy rich," and "unjust wages" within Marxist circles. All of these concepts depend logically on Marx's labor theory. If the workers' labor power does not determine the economic value of products and services, then all the alleged discrepancies between the wages of workers and the wealth of shareholders and company managers lose their theoretical support.

These "new economists" haven't abandoned Marxism, though, since they are devoted to socialism as an ideal. It is for this reason that their book is addressed mainly to fellow socialists, whom they chide for being absorbed with Marx's emphasis on industrialism and production, failing to stress, in contrast to Marx, the role of money and banking within a capitalist economy. One can only wonder how Robert Heilbroner will react, having just produced his latest (conventional) Marxist analysis of capitalism, *Beyond Boom and Crash*.

Privatization Gains

In the wake of California's Proposition 13, more and more local governments are turning to private contractors in order to deliver public services at less cost. Several recent developments illustrate this trend.

In July New York State's highest court, the Court of Appeals, upheld Westchester County's right to replace tenured civil servants with contracted services from a private firm. The decision allowed the county to replace nine watchmen with private security guards. It was hailed by municipal officials around the state and denounced vociferously by Jerry Wurf, head of a million-member public employees union. A front-page story in the *New York Times* on reaction to the decision quoted the Urban Institute's Harry Hatry predicting a nationwide renewal of interest in private contracting.

Later that month the Board of Supervisors of Los Angeles County (population 7 million) voted four to one to place on the November ballot a charter amendment to permit the county to contract for virtually all public services—wherever contracting would be more efficient and cost-effective. (Election results were not yet known at press time.)

In September the Gallup organization released the results of a nationwide survey on private contracting. When asked if they would like to see "public services such as garbage collection, street cleaning, and the like" taken over by private firms, 49 percent said either that they would or that these services have already been privatized in their community. Only 41 percent said no. And of those not already experiencing contract services, 42 percent thought they would be more efficient than municipal services, compared

Now Available:

John Randolph of Roanoke
By Russell Kirk

A masterful study of one of America's best, but least-known, political thinkers. Included in this third edition are appendices containing several of Randolph's most important speeches and a representative selection of his letters. Dr. Kirk is author of *The Conservative Mind* and other books. "Never has an historian of politics done a better job of this kind"—Samuel Flagg Bemis in *The Yale Review*. "Kirk's scholarship is admirable"—*New York Herald Tribune*. "An able championship of conservative philosophy"—*American Historical Review*. "Will move its reader pleasantly through a chapter of American history that too commonly is told only from the dominant, the Jeffersonian, side of the record"—*St. Louis Post-Dispatch*. Hardcover $9.00, Paperback $3.50.

Arator
By John Taylor

The most popular and influential work by John Taylor of Caroline, foremost philosopher of the conservative Jeffersonians. This edition includes sixty-four essays, practical and political, on farming and the social order of an agricultural republic. Edited and with an introduction by M. E. Bradford. Hardcover $9.00, Softcover $3.00.

LibertyPress LibertyClassics

We pay postage on prepaid orders.
To order these books, or for a copy of our catalog, write:
LibertyPress/LibertyClassics
7440 North Shadeland, Dept. J15
Indianapolis, Indiana 46250

with only 28 percent thinking they'd be less efficient.

People, apparently, are surprisingly aware of the difference in performance and productivity between public and private providers of service. As the tax revolt spreads, more and more public officials are likely to get the message.

Emergencies End

Thursday, September 14, 1978, was a little-remarked but notable day in American history. On that date the four open-ended states of emergency declared by Presidents Roosevelt (1933), Truman (1950), and Nixon (1970 and 1971) came to an end. They were terminated by the two-year-old National Emergencies Act, a law proposed several years ago by Sen. Charles Mathias and signed "reluctantly" by President Ford in 1976.

The two-year delay between the law's passage and its effective date was designed to enable the administration to propose any new laws it believed were needed to replace the many executive orders in effect only due to the existence of the states of emergency. But a member of Mathias's staff reported that no significant new legislation had been requested. Thus, the president no longer has authority to institute martial law, seize private property, send troops anywhere in the world, seize control of all transportation and communications facilities, and restrict travel by citizens. Unless, of course, he declares another state of emergency. The act does not prevent that, but it does provide for automatic review of such a declaration by Congress within six months and automatic termination after a year unless the president notifies Congress to the contrary 90 days in advance.

But for now, at least, we can breathe at least a *bit* easier.

Professionals Step Up Ads

In the wake of a June 1977 Supreme Court decision, legal and traditional barriers to advertising by lawyers are rapidly disappearing. In August of 1977 the American Bar Association dropped its rule banning advertising on radio and in newspapers; this year the ABA's annual convention went all the way, permitting ads on TV as well. Within a week the US Justice Department dropped its two-year-old antitrust suit against the organization. In doing so, the department argued that such "dramatic changes" have taken place in the legal profession since the suit was filed that there was no longer any point in maintaining it.

At approximately the same time, the board of governors of the California State Bar adopted tentative rules that would permit lawyers to solicit clients directly. Before being adopted, the rules would have to be approved by the membership and the California Supreme Court; that could not occur before sometime next year.

Part of the rationale for permitting individual solicitation is to put the sole practitioner on a better competitive footing with large law firms or groups that are engaging in advertising. Group practice is spreading rapidly in the professions—medical, dental, and legal—and groups are often the leaders in using advertising. The Cross County Dental Group in New York's Westchester County, for example, has spent $10,000 on ads in the past nine months. The six-member group claims its fees are 30-40 percent lower than those of local private practitioners. Many new legal clinics also offer lower fees as a competitive advantage, letting people know this via advertising.

Thus, while advertising *itself* may not lower costs, it makes it possible to obtain increased business for new forms of lower-priced services, thus making these services more feasible to offer.

Physicians' Competition

In a report issued earlier this year, the Council on Wage and Price Stability (COWPS) charged that the medical profession is largely immune from the ordinary forces of supply and demand (see Trends, July, p. 12). As a result, said COWPS, physicians are able to set and achieve "target incomes" by increasing their fees and unnecessarily expanding their services. These findings have now been challenged as totally wrong.

Prof. Keith B. Leffler of the University of Washington's Economics Department analyzed the COWPS report for the Law and Economics Center of the University of Miami. In doing so, he found major errors of data analysis and alarming flaws in logic.

For example, the report misleadingly computes the increase in physicians' earnings over time by lumping together data on both specialists and general practitioners. Since the proportion of specialists has grown from 36.5 percent in 1949 to 82.8 percent in 1975, the *averaged* earnings would have soared (since specialists earn far more) even if individuals in both groups did not receive a cent more! A corrected earnings series shows that increases in physicians' earnings are not out of line with those of other occupations.

Leffler also analyzed whether restrictions on the numbers of physicians (as urged by the American Medical Association) could have increased physician earnings, as the COWPS report alleged. He found no evidence of such an effect; the only windfall gains in income occurred following passage of Medicare and Medicaid in the late 1960s.

A major portion of Leffler's study concerns the target-income hypothesis. To test this out he constructed a supply-and-demand model of factors potentially influencing physicians' earnings over the years in question (1947-76). Ordinary supply-demand factors, he found, account for over 98 percent of the year-to-year variation in doctors' earnings. In contrast to the COWPS report—which claimed that an increase in the number of doctors leads to an increase in fee levels—Leffler's data show that the reverse is true, as economic theory would predict. The reason why geographical areas with a higher concentration of physicians have a higher level of fees is that doctors move to such areas *because* fees are high there. And why are they higher? Because there is higher *demand* for their services there, often spurred by Medicare and Medicaid. Concludes Leffler, "The Target Income hypothesis is thus suspect on both theoretical and empirical grounds. Classical economic theory, by contrast, provides a useful description of the market for physicians' services."

Little wonder, then, that Leffler titled his critique "Explanations in Search of Facts."

Busing Flunks Out

As public schools reopened their doors this fall, forced busing programs came under renewed assaults. At the American Sociological Association meeting in San Francisco, Rand Corporation researcher David Armor reported the results of his study of busing and white flight. Analyzing migration patterns in 54 school districts across the country, Armor found solid statistical evidence that mandatory busing plans lead to white flight—defined as withdrawal of white pupils from the public schools. On the average, when such a plan is put into effect, the first-year enrollment drop is 13.1 percent; in the second year, 9.8 percent, with further decreases of 9.1 percent and 7.5 percent in the third and fourth years. Since these are *average* figures, in some cities the declines were much greater.

In contrast, when no force is involved—as in San Diego's voluntary busing plan—there is apparently no significant white flight. The contrast between forced and voluntary busing leads to some insight into parents' motives. "Racism as an explanatory factor," notes Armor, "is not alone sufficient to account for the fact

that the vast majority of whites accept desegregated schools when brought about by voluntary methods but reject them when their children are mandatorily bused or reassigned to schools outside their neighborhoods."

Just such a rejection has been taking place in the populous San Fernando Valley area of Los Angeles. There, a massive court-ordered busing program was stoutly resisted, with some reports indicating as many as two-thirds of the white pupils assigned to be bused failing to show up for fall 1978 classes. Private schools sprang up all over the Valley, and over 350 parents volunteered the use of their homes for tutoring classes of six students each. Charging $20-$30 per week, the tutoring groups were quickly filled. California law requires only that youths be taught at least three hours a day, 175 days a year, by a credentialed tutor.

While all this was going on, the *Washington Post* was interviewing sociologist James S. Coleman—the man who laid much of the groundwork for busing with his 1960s studies indicating that racially mixed classrooms would lead to greater student achievement. "It has not worked out that way in many of the school desegregation cases since that research," Coleman conceded. "Thus, what once appeared to be fact is now known to be fiction." Some black students *do* benefit—those who are already better-than-average students. But the poorer black students do even worse than before. "It seems to all balance out," said Coleman, "which is quite the reverse of the implications of my own [previous] research."

Milestones

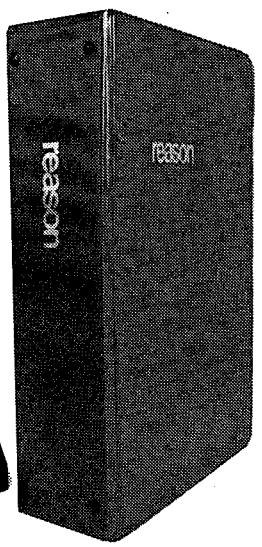
• *In Govt. We Trust?* Not any more. Every two years since 1958 the Survey Research Center of the University of Michigan has been asking people, "How much of the time do you think you can trust the government in Washington to do what is right—just about always, most of the time, or only some of the time?" In 1958 about 76 percent said "just about always" or "most of the time." In 1964 that figure had grown slightly to 78 percent. But two years later it began to drop. It hit 55 percent in 1970, 36 percent in 1974, and 33 percent in 1976. No results for 1978 have been released, to date.

• *Monopoly Breaker.* Terming the US Postal Service "the granddaddy of all monopolies," John Shenefield announced that the service had become one of his targets. And who is John Shenefield? None other than chief of the Justice Department's Antitrust Division, that's who. An aide to Shenefield says the division plans to argue for greater freedom for private courier services to compete with government in mail delivery, for free entry by the private sector into electronic mail, and for reducing the scope of the Postal Service's monopoly under the private-express statutes.

• *Aid No Aid.* The huge amounts of federal aid to education have not improved the quality of American education. Rand Corporation researchers Paul Berman and M. W. McLaughlin found that improved student performance came about from committed, dedicated, creative teachers and administrators—not from federal funds or planning. No overall class of programs was developed that consistently improved student achievement. And those programs that were successful were generally not kept operating or not adapted to other school systems. "The net return to the federal investment was the adoption of many innovations, the successful implementation of few, and the long-run continuation of still fewer," the researchers concluded.

—Robert Poole, Jr.

A PERFECT GIFT: DELUXE REASON BINDERS



Specially designed binder holds a full 12 issues of REASON. Perfect for gifts — or for yourself. Place your order today!

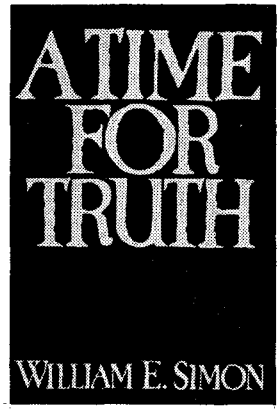
Mail to: Reason Circulation Services, Box 40105, Santa Barbara, CA 93103
Please send me ☐ Reason Binders $5.95 ea. ☐ 4 for $23.00
(Postage and handling included)
Orders outside U.S. add $1.00 per file for postage and handling.
Payment must accompany order. (CA residents add 6% sales tax)

Name _____
Address _____
City _____ State _____ Zip _____

TRUTH AS BESTSELLER

William Simon's diagnosis is well argued, well supported, and well received.

by James M. Buchanan



William Simon

A Time for Truth
By William E. Simon
New York: Reader's Digest Press, McGraw-Hill Book Co. 1978. 248 pp. $12.50.

TAKE HEART, ye libertarians of little faith. This book was well up on bestseller lists for several months. This is fact, 1978, that could not have been recorded five, ten, or twenty years ago, even in an idealized experiment. To be sure, William Simon held high political office during the Nixon and Ford presidencies, and the autobiographical narrative offers a base to the book's central argument. Furthermore, names are named, and there are many persons of note who might have hoped that Simon would have been more politic in describing modern politics as it is, warts and all. Nonetheless, it would be wholly misleading to classify this book primarily as the reflections of an out-of-office politician. Centrally described, *A Time for Truth* is a well-argued, well-supported diagnosis of the socio-economic-political crisis of our nation in our time.

ECONOMIC DICTATORSHIP

The book reflects the passionate intensity of its author, as soft-left critics have already noted. But Yeats need not be assumed omniscient; the best, too, can have conviction. The scenario laid out for the United States is indeed a scary one, but William Simon is no Cassandra. He does not make the self-satisfying error of confusing hope with reality, but neither does he go beyond reality to imagined fear. He does not predict dramatic revolution by either military or proletarian forces. Simon outlines the more somber, because more plausible, way toward economic

dictatorship by a developing governmental apparatus that is already uncontrollable.

Government becomes increasingly irresponsible fiscally and monetarily; inflation continues and accelerates in rate; politicians succeed in shifting blame away from government and onto the evil machinations of businessmen; governmental controls spread; economic disruption necessarily ensues; direct political-bureaucratic direction of economic decisions offers the only "apparent" solution. And so it goes. The scenario is one that must be recognized by any honest person who lives within it in 1978. The wide readership for Simon's book suggests that the message may be striking sympathetic eyes.

Two central examples illustrate the argument, both of which allow Simon to draw upon direct experience. As the first effective energy "czar" during the 1973-74 crisis, Simon learned firsthand what political neglect of elementary economic principles can cost a nation and how continued neglect can convert rigidities into entitlements untouchable to the politician in democracy. Economic error, so simple when first committed, becomes politically irreversible and generates a growth of self-sustaining bureaucracy.

As our experience with energy indicates, and as Simon understands and stresses, there is no half-way house. Market prices and incentives are allowed to work, or they are not. In the latter case, controls fail to accomplish anything other than the begetting of further controls. Simon assigns to his own political superiors, Presidents Nixon and Ford, responsibility for monumental mistakes that insure the now-permanent regime of gas and oil controls. With these, a major sector of the economy has been socialized. But to treat energy as somehow separate and apart from other sectors, as subject to special treatment, reflects a common confusion that Simon warns against.

His second example is New York City, which is detailed as a microcosm of the nation. The reliance on this example is imaginative and useful; like most economists, I have made too categorical a distinction between the behavior of those governmental units that possess powers of money creation and those that do not. In Simon's analysis, New York behaved for many years as if it had sources of money, using debt obligations that were not creditworthy in any sense and essentially defrauding its creditors by the jiggling of accounts and of the promises of politicians. In this way, the latter were able to respond to the demands of the city's own employees almost without limit.

For New York, the day of reckoning seemed to arrive, and default, in effect, resulted. Simon's account of his own efforts to prevent a rush toward federal bailout is fascinating—an effort that, from the perspective of 1978, we must judge to have been only minimally successful. Since this book was published, we have witnessed the political fanfare when President Carter signed new loan-guarantee legislation. The New York story stands to be repeated for yet other municipalities.

PROBING THE TRUTH

As noted, Simon attributes New York's plight to the unwillingness of its elected political leaders to stand up to the city's own employees and their unions. At this point, I should have liked to see the discussion extended, in at least two respects. Simon does not discuss the illegitimacy of the strike threat as a part of a functioning governmental structure. Implicit in the origins of the basic ideas of collective bargaining, and notably in the law as it reflected these ideas, there was imbedded the notion that strikes become an appropriate weapon only if the adversary parties could be isolated from third parties, only if effective substitutes were readily available to consumers of the industry's product.

It is, indeed, a time for truth, and a second extension of Simon's discussion might have exposed the critical question of the voting franchise. Democratic politics generates its results as politicians try to respond to electoral constituencies. When governmental employers and beneficiaries of direct handouts are allowed to vote, should we not predict what we see? Why should not such overt conflict of interest be exposed for what it is? In the 1970s, when potential politicians must bare their closets, why do we neglect the bureaucrats or the recipient of direct transfers? No politician of our time can indirectly act to increase his private future; but we remain blind to the direct influence that government employees can exert on their own wages via their support for larger and larger budgets.

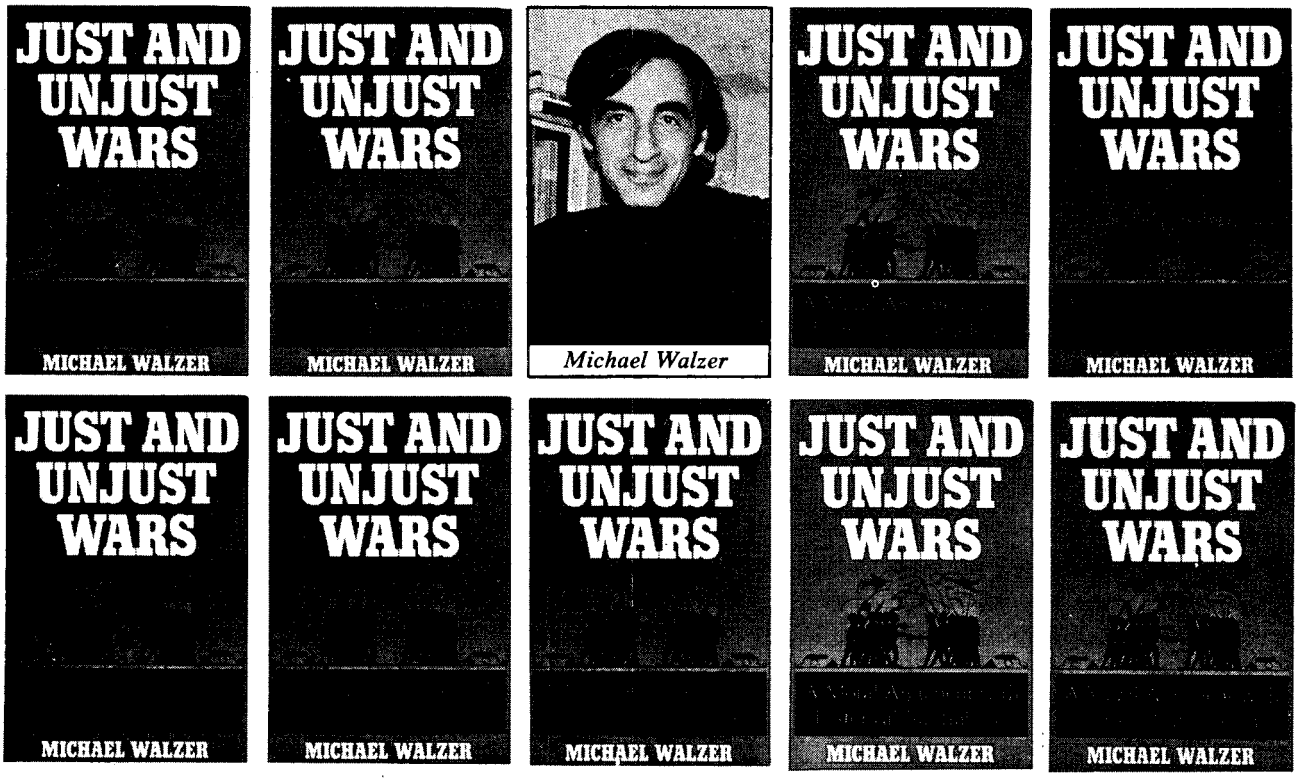
In several writings I have argued, along with Simon in this book, that improvement must take the form of the adoption of a set of principles, rather than the advancement of a particular set of legislative proposals. A public philosophy of liberty informs the consciousness of few of today's scholars, businessmen, and politicians—and even fewer of our lawyers, who are perhaps most important of all. Such a philosophy may, but need not, involve an understanding of the efficiency-generating properties of free markets. But it must embody the original American notion of individual liberty, and it must incorporate a good understanding of the necessary conflict between this liberty and the power of the national state. Markets will emerge, not only when persons understand them, but also when governments are constrained as people value liberty.

I do not fully accept the importance assigned to the egalitarian thrust by Simon. We do not need egalitarianism to explain much of what we see. A flaw in our constitutional order, along with the rent-seeking behavior of persons who have discovered it—these are sufficient grounds upon which models of modern America can be built. And I am concerned that libertarians take up the antiegalitarian crusade too eagerly and, in the process, that they alienate potential supporters. Liberty can only flourish with equality, properly defined. Equality in liberty is possible; liberty in enforced equality is not. Simon explicitly recognizes this, but careless reading may make him seem to defend inequality.

I commenced this review with a call for keeping the faith. Too many of us who share Simon's diagnosis find aesthetic satisfaction in the gloom of reality observed. Resignation must be resisted. Let us have more, not less, passionate intensity, more, not less, conviction. Perhaps few of us would want the center to hold today, but the game is not rigged as to which direction change may take. ◻

James Buchanan is general director of the Center for Study of Public Choice, Virginia Polytechnic Institute and State University. He is the author of numerous books; the latest, Freedom in Constitutional Contract.

HARD THOUGHTS



ABOUT WARFARE

Total war, nuclear deterrence, terrorism, reprisals—drawing some moral lines.

by Robert Nozick

Just and Unjust Wars
By Michael Walzer
New York: Basic Books. 1977. 361 pp.
$15.

WARFARE RAISES, in their most stark form, moral issues about aggression, initiation of force, rights of innocent third parties, responsibility for following orders, etc., and so should be of special interest to libertarians. The previous literature focusing on these moral issues of warfare is slight and insubstantial, however, so we should welcome Michael Walzer's sensitive, thoughtful, and illuminating study. Walzer's book is subtitled *A Moral Argument with Historical Illustrations*, and his method of taking up each of the issues as it applies in specific historical situations makes for especially interesting reading.

I shall selectively discuss the contents of the book, emphasizing those points I find especially illuminating and those with which a libertarian is especially likely to disagree. Walzer, a professor of government at Harvard University and an editor of the democratic socialist magazine *Dissent*, is a friend of mine, and so this will not be the first time he hears of the disagreement. I mention the friendship because as a student I used to be bemused when reading book reviews by one friend of another, where no mention was made of the personal tie. So, *caveat lector* (and friend, too!).

MEANS AND COSTS

Walzer distinguishes the justice of war (is it defensive, aggressive?) from the legitimacy of means in pursuing it (is attack directed against innocent civilians? etc.). He holds that an ordinary soldier can be held responsible and punished only for using illegitimate means of warfare, even if he is fighting in the army of the aggressive nation that started the war. On this view, when that soldier kills a civilian on the other side by deliberately taking aim and firing, he is a murderer, but when he intentionally shoots an opposing soldier who is merely defending his nation against foreign attack he is not a murderer. Walzer holds that the leaders of the nation who decide to launch an aggressive war *can* be held responsible and punished for this, but ordinary soldiers cannot, provided they do not use unjust means of waging the war.

Libertarians will not agree that one is absolved of responsibility merely by being told (by the rulers that be) to use legitimate means, whatever the legitimacy of the end to which these are directed. So we face the interesting issue of precisely how to treat the captured soldiers of an aggressive army. (Are all to be tried for murder or attempted murder?)

Walzer correctly points out that the aggressor nation need not be the one who actually attacks first, for its threat of imminent aggressive warfare (not merely of hostile acts short of war) may be sufficient to justify a preemptive attack by the defending nation, which therefore turns out to be the first to fire.

I found the third part of the book the most interesting. In approximately 100 pages Walzer discusses with subtlety and good sense noncombatant immunity, sieges and blockades against places also containing civilians, guerrilla war, terrorism, and reprisals. Noncombatants may not be attacked, but suppose it is known that some will or may be harmed as a result of an attack? The traditional doctrine of double effect says that one may not directly aim at, intending to inflict death on, civilians; but if one knows that some civilians will be injured as a side effect of one's action (hence the term "double effect"—to distinguish two kinds of effects, directly intended and side), this is not strictly forbidden but counts as a moral cost of the action, which is to be weighed in a calculation against its gains.

In a paper about 10 years ago, I argued that the principle for such moral cost-benefit calculations is the following. If A is the act being contemplated, it is not enough that the moral benefit of A outweigh the moral cost. For A will be impermissible if there is available an alternative act B of lesser moral cost such that the extra benefit of A over B is outweighed by the extra cost of A over B.

Walzer nicely suggests adding to the traditional principle of double effect the additional condition that one also must intend to reduce the evil as far as possible, including by running some additional risk to oneself in order to reduce the (not directly intended) civilian harm. Walzer finds it hard to say how far you must go in accepting additional risks. I suggest we view this alternative risky act as the B in the principle I just stated; Walzer's emended principle of double effect, then, is simply an instance of the general principle, which principle then specifies how much additional risk one must run.

I don't know if Walzer would approve of this, since he tends not to sharpen a point or principle beyond what good sense can specify without formal apparatus. Often, however, it is useful to speculate on what the ideal precise rule would be, for that helps us to uncover all its components and think about how they fit together. Furthermore, it is unclear to me whether Walzer would agree to view it this way and count (even with discounting) the risk to one's own soldiers as a moral cost (or diminished moral benefit) in the same equation with injury to the noncombatant civilians. For he seems to hold (p. 157) that one must run increased risks in order to safeguard noncombatants all the way up to the point "where any further risk-taking would almost certainly doom the military venture or make it so costly that it could not be repeated."

CIVILIAN INNOCENCE

Walzer's discussion of sieges and blockades is very fine, and his condemnation of terrorism directed against innocent civilians is surely right. Walzer applies this point to the FLN in Algeria, also condemning the elitism of terrorists, points he made publicly in the late 1960s in Cambridge before intensely disapproving young leftists.

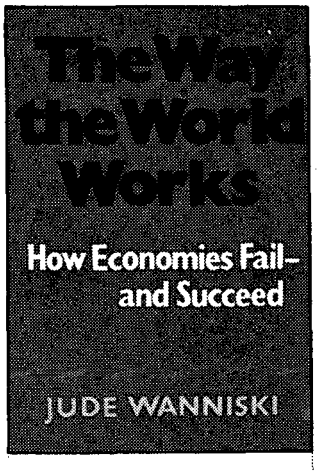
Reprisals as a means of moral enforcement raise interesting issues, for though directed to enforce moral norms another is violating, they need not be done directly to the violator. Walzer discusses and condemns the reprisals by Free French forces who executed 80 captured German soldiers in response to German summary executions of 80 militarily dressed captured Free French forces. His discussion of Israeli reprisals against sporadic attacks is judicious and discriminating, and he defends the Israeli reprisal in 1968 against property (Lebanese aircraft) in response to PLO attacks (based in Beirut)

(*Continued on p. 35.*)

Tax-Revolt Bible

Kemp-Roth, Steiger, Jarvis . . . all gain intellectual support from this innovative view of taxes in history.

by Alan Reynolds



Jude Wanniski

The Way the World Works
By Jude Wanniski
New York: Basic Books. 1978. 319 pp. $12.95.

ECONOMISTS ARE STILL FULL OF IDEAS about how to stimulate production and employment, despite a decade of uniquely dismal economic performance under their expert guidance. One group promises miraculous results from merely adjusting the federal budget by a few billion one way or the other. Another watches the monthly gyrations in various measures of money and suggests printing the stuff at a slightly faster or slower rate. And then there are those who blame the whole mess on something called "capitalism"—the definition of which changes to fit the latest complaint.

FISCAL TRICKERY

A couple of generations have been taught that when the government spends more than it collects in tax revenues, the resulting deficit stimulates production. But a long string of huge deficits has obviously produced nothing but trouble, so Keynesian economists feel compelled to explain that the theory is right but the world has gone wrong. Wanniski has a more convincing explanation.

To spend more money than it has, the government has to borrow the difference by peddling some IOUs ("bonds"). But if the government borrows a dollar from Smith and uses it to cut Jones's taxes by a dollar, nothing much has changed. Jones is supposed to feel a dollar richer, but he is going to have to pay more taxes in the future in order to pay interest on Smith's bond. An increase in public debt could therefore inspire more production only if people failed to realize that it simply substitutes future taxes for present taxes—that is, if they suffered from "bond illusion." People are not that gullible, in Wanniski's view, and Keynesian ideas just provide politicians with an excuse to redistribute the misery in a stagnant economy.

Instead of borrowing the money to cover its deficits, however, the government might just pay its bills with new money. In this case, the Federal Reserve buys the new government securities and pays for them by writing a check that ends up increasing bank reserves. With more reserves, the banks can make more loans, creating new checking accounts in the process.

Like Wanniski, monetarist economists argue that this game ends with more inflation. Unlike Wanniski, most monetarists think a shot of new money will first stimulate production for a while, by lowering the real cost of labor and credit, until people notice the higher inflation and raise wages and interest rates to compensate for it. This is "money illusion," and Wanniski finds it no more palatable than Keynesian "bond illusion."

People don't work, invest, and exchange goods and services simply because the government prints more money. They understand that the trouble with money is that when you print more it ends up being worth less.

People won't work harder because the government sells more securities to cover its deficits. They could hardly fail to realize that those public assets imply a matching public tax liability, since almost 10 percent of the federal budget now goes to pay interest on past deficits.

SPURRING SUPPLY

The real source of sustained economic expansion is not such tricks and illusions, says Wanniski, but the real after-tax rewards for productive effort and investment. He also revives Adam Smith's emphasis on the importance of specialization, both within and between countries, and gives it a startling new relevance to tax policy. In place of the postwar fetish with short-term manipulation of demand, Wanniski brings back the classical concern with the fundamental motives behind the growth of supply.

Lord Keynes described the appropriate use of classical eco-

nomics as "a condition where a reduction in the real rewards of the factors of production will lead to a curtailment in their supply." Both Keynes and the monetarists would agree that "in the long run," Wanniski's classical explanation of economic growth is essentially correct. In practice, however, the long run is always pushed into the future, and attention is instead focused on fiscal and monetary nostrums to fix immediate problems.

Keynes was sure that inflation would make labor cheaper, thus increasing employment, because prices would outrun wages. "No trade union," wrote Keynes, "would dream of striking on every occasion of a rise in the cost of living." Moreover, he suggested that "rising prices may delude entrepreneurs into increasing employment." Keynesian policy is based on the unlovely art of deceiving people, and because people are not so easily fooled, it doesn't work.

When the Keynesian prescription takes the form of tax cuts, however, it may have the right effect for the wrong reason. The purpose of reducing tax rates is not to stimulate spending (something more easily accomplished by dropping money from helicopters) but to increase the incentive for workers to work, employers to employ, and investors to invest. For that purpose, not just any tax cut will do. Two tax cuts that would supposedly generate the same loss of revenues, if nothing else was changed, might well have radically different effects on incentives, production, and therefore on tax revenues.

The key question is whether additional effort to supply what others are anxious to buy will yield enough reward, relative to the alternatives, to justify the effort. Among the alternatives to taxable income are numerous sources of income that are effectively invisible and therefore exempt from taxation—mowing lawns, prostitution, casual labor, selling marijuana, gambling, and so on. Then there are the broader aspects of what Wanniski calls "the barter economy"—housework, do-it-yourself projects, trading babysitting and other tasks with relatives and neighbors. In all of these cases, there is little or no efficient organization and specialization of work. Finally, there are many taxpayer-financed benefits that are given only on condition that recipients work less or not at all—welfare, unemployment, disability and retirement benefits; payments to farmers for not farming.

We commonly think of the economy as consisting entirely of the sort of activity that can be easily measured on a W-2 tax form, where labor is efficiently organized and specialized in large enterprises. When taxes on such conspicuous activities are sufficiently demoralizing, however, many people drop back into the inefficient barter economy or drop out of work altogether. Even those who remain in the conventional economy will make little effort to produce and earn more if, with each upward step, they get to keep smaller proportions of their income. It follows that inflation, by pushing more and more people into higher and higher tax brackets, has had a depressing impact on real production. This is Wanniski's sensible explanation of the supposed paradox of simultaneous inflation and recession.

WEDGES AND CURVES

Wanniski puts together a model with two tools borrowed from Arthur Laffer of the University of Southern California—the "wedge model" and the "Laffer Curve." Taxes and regulations create a "wedge" between what business pays for labor and capital and what workers and investors ultimately receive. An employer might have to pay $10 an hour, including payroll taxes and the cost of various regulatory requirements, in order to offer $8 to a worker, which will actually leave him with only $6 in after-tax income. The gap between the $10 and $6 is one sort of wedge, and it reduces both the employer's demand for labor and the worker's willingness to leave the barter economy or the dole.

The Laffer Curve neatly illustrates a situation in which tax rates become so high that they are counterproductive—discouraging the taxed activity so effectively that tax revenues actually fall. It offers politicians the alluring possibility of offering to cut both taxes and the budget deficit at the same time. Again, not just any tax cut will do. The Carter administration proposes to increase the progressivity of the tax system at a time when inflation is already pushing nearly everyone who works into the brackets once reserved for economic royalty. That is not the sort of tax cut that keeps people from retiring a little earlier each year, including some who retire on the job.

A major appeal of Wanniski's book is the way in which political history is reinterpreted in terms of his economic model. History is seen as a process of struggling toward systems capable of producing politicians who can effectively resolve the inherent tension between creating and redistributing real income. Excessive taxes or tariffs are seen as the cause of overpopulation in India, pollution and prostitution in the United States, World War II, illegal immigration from Mexico, underdevelopment in many countries, and Quebec separatism. The French Revolution wasn't an attempt to achieve equality through stiff taxation, but to stop taxing the peasants at an 82 percent rate to help the idle rich.

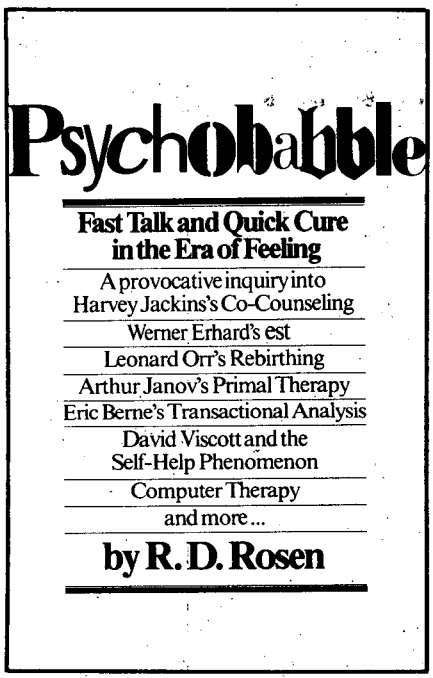
Among the political heroes are such diverse characters as Alexander the Great, Napoleon, Coolidge, Robert Taft, Harry Dexter White, and John Kennedy. It would all be simply outrageous if it weren't so rigorously documented. The Crash of '29, for example, is examined in minute detail by linking the ups and downs of the stock market to the changing congressional fate of the Smoot-Hawley tariff (a tax or "wedge" on international specialization).

For years, the Republican response to Democratic spending initiatives has been to do the "fiscally responsible" thing and vote tax increases to pay the bills. Democrats spend, Republicans tax, and those who are not too impressed with either the spending or the taxes have left both parties in droves. It wasn't always so, and the greatest political and economic successes of each party have been the periods when the pattern was broken. The Coolidge prosperity combined drastic tax cuts with a freeze on federal spending; John Kennedy did the same in fiscal 1965. Recent events suggest that we are once again entering an era in which good economics will also be good politics.

Those who doubt the relevance of economics may be surprised to see the clear imprint of Wanniski's ideas on politics from coast to coast—from California's Proposition 13 to Jeffrey Bell's primary upset in New Jersey. At the federal level, Wanniski's efforts are directly tied to the snowballing support behind Rep. Jack Kemp's bill to slash income tax rates and to Rep. William Steiger's amendment to roll back the post-1969 increases in the capital-gains tax rate. It will be difficult to understand what is going on in this country, and possibly others, without a careful reading of this boldly innovative book. ◻

Alan Reynolds is a REASON contributing editor and columnist and vice-president of research at a major US bank.

THE LANGUAGE OF INTERMINABLE INTROSPECTION


Psychobabble
Fast Talk and Quick Cure in the Era of Feeling
A provocative inquiry into Harvey Jackins's Co-Counseling
Werner Erhard's est
Leonard Orr's Rebirthing
Arthur Janov's Primal Therapy
Eric Berne's Transactional Analysis
David Viscott and the Self-Help Phenomenon
Computer Therapy
and more...
by R. D. Rosen

R.D. Rosen singles out the weirdest of the new humanistic therapies. Offering instant happiness, they perpetuate a jargon that short-circuits understanding and intimacy.

by Cheri Adrian

Psychobabble
By R.D. Rosen
New York: Atheneum Publishers. 1977. 233 pp. $8.95.

"I'm really into my anger right now," she says.

"That's okay," he replies. "That's your space. Go with the anger."

"Yeah, but I feel a lot of hostility toward you and I feel that I want to get that out."

"That's cool. That's the space you're in. I can understand where you're coming from. I've been there."

"Still, you've really been on my case and I have all this anger that I want to share with you."

"Like I said, that's cool. I want to tell you that I acknowledge your anger that I acknowledge you."

"Good, I get that it's okay to be angry with you."

IF YOU HAD AN IMPULSE to scream the last time you overheard—or maybe participated in—a conversation like this one, you may appreciate *Psychobabble*. Rosen's book is a descriptive and critical analysis of contemporary popular psychology, born out of a concern for "a ripening public credulity regarding psychological and spiritual pursuits" in America in the '70s.

"Psychobabble" is Rosen's term for the platitudinous language currently passing for "meaningful dialogue" among the newly psychologized. According to him, the language arising out of the human-potential movement is "an idiom that reduces psychological insight to a collection of standardized observations." Purporting to simplify the obfuscating clinical terms of Freudianism, purporting to give us a language to express our feelings, purporting to teach us how to *really communicate*, in fact the new "humanistic" therapies have given us a new jargon of terms without precise meanings, "a set of repetitive verbal formalities that kills off the very spontaneity, candor, and understanding it pretends to promote." "True psychobabble," he says of the conversation quoted above, "has all the intimacy of two PDP-8 computer terminals conversing in an Artificial Intelligence lab."

THE NEW THERAPIES

Rosen's term does for language in the '70s what Stuart Chase's *gobbledygook* (bureaucratic and professional jargon) and George Orwell's *newspeak* (the language of political euphemism) did earlier in the century. Like his fellow critics of such popular language, Rosen regards its emergence as symptomatic of a serious social problem. For Rosen, psychobabble is not only a kind of language but a "cultural climate" and "way of thinking" in a society where individuals are rushing headlong into spurious psychological pursuits, hoping to find happiness in "interminable introspection."

They are guided by a proliferation of self-help psychological advice books and a multitude of new therapies burgeoning out of humanistic psychology. Rosen's book analyzes a sample of these: the books, games, and greeting cards of the man he calls "*the* entrepreneur of sensitivity," David Viscott; Werner Erhard's *est;* Harvey Jackins's Re-evaluation Counseling; attempts at therapy via computers; Leonard Orr's Theta rebirthing; and Arthur Janov's Primal Therapy.

As a sample of contemporary therapies in the human-potential movement, this is a pretty sorry lot. Certainly some among them have grown extremely popular and do represent trends that have captured the public imagination. But if Rosen's book has a major flaw—and it does—it is his attempt to argue against the assumptions and goals of the human-potential movement in general on the basis of his

chosen samples—among the least-respectable and the easiest to discount. Gestalt, Rogerian, and other developed humanistic theories and therapies appear only in brief (often sarcastic) asides, yet Rosen obviously wants us to regard "the psychobabbling mentality" as pervasive among humanistic psychologists.

What happens in this book, then, is that Rosen's perfectly good term for empty language comes to refer also to particular psychological assumptions and practices he does not like. (His persuasiveness is undercut also by his journalistic reportage; he appears to have had minimal personal experience with any of the therapies he discusses.)

HEALTHY SKEPTICISM

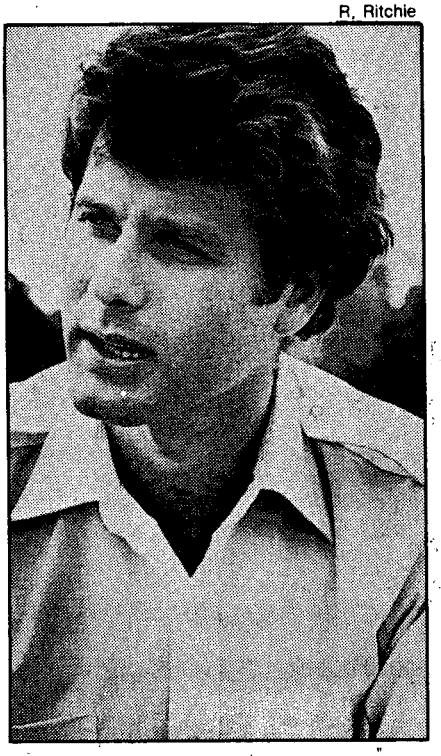
Rosen's specific objections to psychobabble therapies are nonetheless important and often justified. First, they offer the quick cure: the often extravagant claims of the people selling them foster "a belief in the immediate availability of well-being," when in fact psychological betterment is a long, difficult, ongoing process.

Second, they grossly oversimplify the complexities of human psychology, the sources of psychological conflicts, and the steps required to resolve them. Many of the therapies are reductionist, assuming a single origin for psychological problems and claiming that a single, simple change —learning to express emotions, or changing a few ideas, or catharting a traumatic event—will solve them all. Rosen argues, reasonably, that psychological problems have many sources and become integrated into the personality, and that growing beyond them requires a complex integration of new feeling, new understanding, and new behavior.

Third, these therapies promote the idea that "total cure" is possible, that their realizable goal is a constant sense of well-being. Rosen regards this as fatuous nonsense; though he acknowledges that many find their lives improved by therapy, he argues that internal and social limitations make total well-being impossible and that real psychological health is "the capacity to confront, explore, and transmute the sometimes irreducible contradictions of living." The enormous claims of the promoters of some therapies—that they will cure all mental illness, produce a race of neurosis-free human beings, insure wealth, health, and longer lifespans, even create "permanent and uninterrupted" bliss—should be regarded with plenty of healthy skepticism.

But it is characteristic of personal-growth therapies, Rosen says, to promote complacency. He quotes one *est* graduate as saying that in three months she had become "totally satisfied with her life." In the pursuit of total comfort, psychobabble therapies discourage curiosity, ambivalence, risk taking, and therefore, paradoxically, continued growth.

R. Ritchie



R.D. Rosen

THE TRUE EVILS

Rosen is particularly concerned with the social complacency that the interest in personal growth can generate. Much of his critique is neo-Marxist, and he regards the psychological interest of the '70s as a sign of social decline from the political activism of the '60s. He agrees with a psychoanalyst who avers that "ultimately, all these different therapies will look the same and everyone will say 'Fuck it' and then get back to the basics, like how to feed the world."

Rosen's leftist prejudices show in his distaste for the fact that most devotees of psychological movements are American, WASP, and unpleasantly middle-class, "children of the dream who, having passed through their phase of political activism, of maximum material comfort, had run smack into some private emptiness." It is certainly true that only those who have reached a comfortable standard of living can afford to engage in further self-development and that humanistic psychology fosters the valuation of personal growth over social preoccupations—but some readers will not take it for granted that these are evils. (Nor will they, as Rosen does, take the profitability of some of these therapies as prima facie evidence of their founders' bad intentions.)

A more legitimate criticism is that these therapies tend to be anti-intellectual in their effort to be pro-emotion. The prescription "not to intellectualize" or "not to be on a head trip" but "just to feel," "just to experience," can lead to the indulgence of feeling without conceptual insight—not, according to Rosen, therapeutic—and to promote the suspension of skepticism and of judgment.

This anti-intellectual bias has serious consequences: the authoritarianism in some therapies, where followers and clients are "emotionally tyrannized" by the leader or therapist who demands they suspend judgment as part of therapy—and the undermining of the importance of making distinctions of value, judgments of quality. Intellectual sloppiness manifests itself in the fact that none of his therapies has coherent theory behind them, and it becomes dangerous when undereducated, untrained people are employed as therapists.

There is no question that many of the notions Rosen points out are false and that a lot of nonsense, some of it harmful, is being sold today in the name of psychology. But there is no reason to believe that the contradictions and banalities spouted by the therapists and clients of Rosen's sample therapies are the best language and thought humanistic psychology has to offer. The important thesis that our psychological language is inhibiting our understanding never gets developed, because Rosen does not choose to come to terms with the ideas of any serious thinker in humanistic psychology.

Rosen claims that his purpose is to argue for a better psychological language, "a language that has better access to the paradoxes of emotional life and therefore a language that is more revealing, more powerful, more therapeutic." (He warns us in advance that he has no proposal, though near the book's end he does pass along a few suggestions.) Though his book is more a document than a thorough analysis of the new psychology, it gives anyone involved in psychology today much to think about.

Rosen writes competently, straightforwardly, sometimes wittily, of the nonsense we speak. I will not be able to utter my own psychobabble so freely in the future, and I have a few friends I want to share the book with, so when I get into talking about it they'll know where I'm coming from. ◻

Ms. Adrian has a Ph.D. in English and American literature and has studied and written in the field of psychology. She recently turned from teaching to free-lance writing.

CHOOSING AN "ISM": *TWO FLAWED VIEWS*

Like Hilaire Belloc in 1913, Jean-François Revel considers the options but gives up on the free society without careful investigation.

by Eric Mack

The Totalitarian Temptation
By Jean-François Revel, translated by David Hapgood
New York: Doubleday & Co. 1977. 311 pp. $8.95.
New York: Penguin Books. 1978. 332 pp. $2.95 (paper).

The Servile State
By Hilaire Belloc, with an introduction by Robert Nisbet
*Indianapolis: Liberty*Classics. *1977. 207 pp. $8/$2.*

CAPITALISM, SOCIALISM, communism, collectivism—what is it to be? What are the lamentable and laudable features of each? And why do societies end up with this or that alternative? Recently, there has been a resurgence of interest in these questions—witness Jean-François Revel's widely read and translated *The Totalitarian Temptation.* And it *is* a resurgence of interest in a question with a history—witness Hilaire Belloc's 1912 volume *The Servile State*, now reprinted.

Revel's is a very valuable, though very mixed, work. While it is informative and often remarkably insightful about recent social and political movements and trends, it is also utterly confused on the level of political principles. Furthermore, the book never comes to grips with the central question that it raises: What would be the political and economic features of a free, pluralistic, socialist democracy?

That Revel holds to an uncommon and interesting position is suggested from the start with his claim that "the two primary barriers that prevent the building of a socialist world [are] the state and communism." One is immediately reminded that today "socialism" is many things to many different people, and one hopes that by *socialism* Revel means something pretty attractive. Perhaps he does. But we will never know from anything he says in *The Totalitarian Temptation.*

That things are not going to go swimmingly is signaled by the fact that, after announcing his allegiance to socialism, Revel refuses to define the subject of his praise. In fact, ironically, in this refusal Revel follows his Stalinist opponents in insinuating that those who demand intellectual clarification simply reveal their ill-will. In the ugliest lines in the book, he says, "Socialism is like freedom: if we feel we still need to define them... it simply means we have no intention of putting them into effect. When sects or parties engage in such academic hairsplitting, they do so to mask, and to justify, their authoritarian intentions."

According to Revel, we cannot even find "evidence for socialism," since it has never existed. At least he reveals what would count as evidence for socialism—"any change, reform or revolution that results in making the economic system work a little more for the benefit of man, and a little less for the benefit of the system."

Associated with these less than illuminating remarks are a series of mutually contradictory statements about the ultimate value that political systems should serve. We are told that "freedom has value in itself" and that the goal of politics is "the greatest good for the greatest number" and that the goal is "the greatest possible equality among people." Mercifully, Revel quickly turns to more concrete matters.

Revel sees himself as a man of the left in virtue of his opposition to nationalism, reaction, and privileged hierarchical orders. But his most pressing concern is with the totalitarian temptation that stands before the nations of southern Europe and, in somewhat different forms, the nations of Latin America and Africa. This temptation is Stalinism, official or unofficial, in the form of rule by the leaders of the local Communist Party or by the head man in the local version of pidgin Marxism.

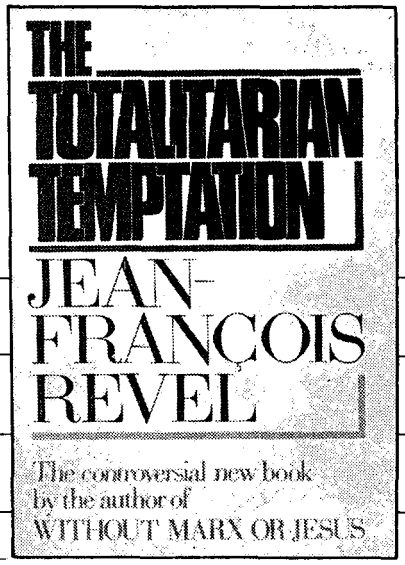
CORRUPTION OF THE LEFT

In the case of southern Europe generally and France in particular, a more specific temptation is also at issue. This is the temptation felt by members and parties of the non-Communist left to fawn upon, serve, and surrender themselves to the Stalinist parties of their respective nations. (It is Revel's view that only the Communist Party of Italy has any claim to no longer being Stalinist.) *The Totalitarian Temptation* is addressed, therefore, primarily to the social democrats of France and the rest of southern Europe. And, as such, it is a vigorous attempt to document and undo the ideological, moral, and psychological subservience of these leftists to their Stalinist and neo-Stalinist comrades. Hence, the central sections of the book are, "Of Docility Toward Stalinism" and "The Suicide of the Socialists or the Indirect Justification of Totalitarian Solutions."

What is outstanding in these portions is Revel's vivid presentation, complete with many revolting illustrations, of the intellectual and spiritual corruption of much of the European left, who through willful

A. Gotfryd

Jean-François Revel



Hilaire Belloc

blindness and moral weakness often serve, cheer on, or at least tolerate totalitarian trends even when they themselves will be among the first victims. Revel displays the demeaning and self-destructive character of the social democrats' relationships with Communist parties—their almost infinite willingness to be bullied, insulted, and used rather than risk being denounced as anti-Communist.

On another level, Revel tries to point out that to be anticapitalist is one thing, while to be pro-Stalinist is another. One's proper anticapitalism should not inspire a disgust for the values that (somehow!) are historically intimately interwoven with capitalism—for example, freedom, pluralism, and tolerance.

Revel, then, has a large number of reasonable, myth-debunking things to say in his chapters on excesses in the critique of capitalism. Of course, we are no more told what capitalism is than we are told what true socialism would be. In addition, Revel makes insightful comments on many topics, including Marxist historical theory, the forms that inflation and unemployment take in socialized economies, the attack on the "money" (that is, private) press, capitalism's support of socialism, and the imperialist nature of nation-states. Informative accounts are given of events in Allende's Chile and of politics in postrevolutionary Portugal.

The bottom line for Revel is that Communist parties have no claim whatsoever on the allegiance or even sympathies of the liberal socialist. There is not even any coherent ideal of "free communism." For communism by definition denigrates the "merely formal" values and freedoms of bourgeois society. It proposes the politicization of all life and culture, and it is motivated ultimately by psychological rigidity and "a hatred on principle of industrial, commercial civilization." The dark secret of totalitarianism is the desire "to live under Stalinism, not despite what it is, but because of what it is."

So Revel calls for a radical reordering of the democratic socialist's worldview. Socialism should not understand itself as "a sort of watered-down Stalinism." Communism is no more a form of socialism than are the various forms of rightism. In the tradition of *classical* liberalism, a system of pluralism, progress, and individual freedom is to be upheld against both the right and all species of Stalinism. But, tragically, Revel seems to have no idea what the economics of such a system would look like.

VAGUE ECONOMICS

In every section of his book, Revel objects to state economic planning and ownership. Such a system, for which Revel often uses the label "socialist," is described as inefficient, nationalistic, and dangerous to cultural and political diversity. He seems to understand the connection between controlled economics and controlled lives. Yet we are also told that *Revelian* socialism will involve "a globally managed economy, under a political order capable of that global management"!

Revel's most serious discussion of economic proposals occurs in connection with the idea of worker management—management that might evolve out of co-determination schemes for giving employees some voice in the decisions of the firms that employ them. Revel envisions such schemes leading to "virtually direct management of the economy by the unions." But how is such management to be imagined? One possibility is that "each worker-managed enterprise is truly independent; that amounts to introducing competition and the free market in a socialist economy." For Revel this appears to be the only alternative to "bureaucratic centralism, with all the political consequences we know about, not to mention the economic consequences."

Unhappily, Revel seems to assume that a natural part of this owner-manager system would be all sorts of restrictions on workers' rights to transfer their respective shares of enterprises and all sorts of politically motivated and admittedly exploitive subsidies. So he concludes that instituting this socialist "free market" would yield "a mosaic of small independent units of production needing massive tariff protection" and calling forth "extreme economic nationalists." Thus, he appears ultimately to abandon the worker-owner system—to abandon the more free-market approach because it is too nationalistic!

Stripped, then, of nationalism, central planning, and decentralized worker control, what is left of Revel's socialism? Nothing, it seems, except welfare-state reformism. Part of Revel's problem is that he cannot imagine a society of distinct and competing interests, a pluralistic "free state" in which special interests do not effectively employ the legal institutions to "exercise tyranny... against all other citizens." Eventually, then, he retreats to the hope that these tyrannies will not be massive and that somehow a society can take "increased responsibility... for each of its members" while "widening the area in which the creativity of individuals, minorities, and subgroups can flourish without hindrance."

BELLOC'S ALTERNATIVES

Besides his embrace of this bunk, Revel's central weakness is his inability to identify basic socioeconomic alternatives in terms of their underlying formative principles. In contrast, Hilaire Belloc's *Servile State* provides an elegant and precise—though seriously flawed—mapping of fundamental social alternatives. Furthermore, in this work originally published in 1912 and recently reprinted by Liberty*Classics*, Belloc offers the prophetic insight that socialist reformism building on a capitalist foundation will not produce a collectivist paradise. Rather, it will reintroduce the servile state,

For Belloc, the enforcement of a system of small property holdings is the only basis for both security and independence.

"that arrangement of society in which so considerable a number of families and individuals are constrained by positive laws to labor for other families and individuals as to stamp the whole community with the mark of such labor."

What libertarians will find most attractive about Belloc's essay is his anticipation of the thesis that state-enacted "reform" will usually function to protect and solidify the positions of those most dominant at the time these reforms are enacted. Such reforms will convert current and uncertain economic advantages into more permanent legal privileges.

According to Belloc, there are four fundamentally distinct socioeconomic alternatives. One of these, capitalism, is essentially unstable. The other alternatives are the servile state, the distributive state, and the collectivist state.

In the servile state, private property exists but is concentrated in the hands of relatively few individuals. Only these few are economically and politically free, while the remainder of the populace is propertyless and economically unfree—that is, subject to compulsory labor. The servile state is the society of few masters and many slaves.

In contrast, in the distributive state, private property is very widely distributed and so is freedom from compulsory labor. This is the society of the hearty yeoman and the nonalienated artisan. Belloc believes that out of the servile state of ancient times grew, in a mere seven or eight centuries, the distributive state of the late Middle Ages. Allegedly the serfs of this period were essentially autonomous peasants. Any remaining economic constraints functioned, along with the medieval guilds, to safeguard "the division of property, so that there should be...no proletariat upon the one side, and no monopolizing capitalist upon the other." Restraints on economic liberty merely guaranteed "the small proprietor against the loss of his economic independence."

SECURE INDEPENDENCE

The distributive state is favored because, for Belloc, the existence and enforcement of a system of small property holdings is the only basis for both widespread security and general independence and self-respect among a people. The relationship between private property and freedom is rightly emphasized, but advocates of laissez-faire will be made uncomfortable by Belloc's claim that it is the distributive state with its limited constraints on economic exchange and aggrandizement that truly minimizes human servility. Belloc's position is that it is better to have these minimal customary restraints than to have the uncertain and precarious full economic freedom of laissez-faire or to have the rigid social order that the dislocated men produced by capitalism will embrace. We are told, of course, very little about the exact character of the distributive state—about how and by whom control of productive resources and enjoyment of income is to be regulated.

According to Belloc, the medieval distributive state in England was destroyed by the monarchical and aristocratic seizure of Church lands and the subsequent use by the aristocracy of their augmented power to deprive the peasantry of their land. This was the beginning of capitalism, which Belloc characterizes as the system in which private property is held by a relatively small number of people while the remainder are propertyless but economically free—not subject to compulsory labor. Clearly, Belloc is not a fan of capitalism so conceived and, while he

Revel seems to have no idea what the economics of a pluralist, individualist system would look like.

pokes fun at Marxist determinism, he shares with Marx the vocabulary of surplus value and exploitation. The free propertyless laborer is both less autonomous and economically worse-off than his peasant-artisan ancestor.

From the capitalist stage, three transformations are possible. The first is a return to the distributive state. The second is a transition to true collectivism, in which all productive property is controlled by "public officials" and no one is economically free. The third is a return to the servile state.

It is this third transition that Belloc prophesied. Under capitalism, the primary experience of the majority of people is of economic insecurity. These people are too far removed from the life of independent property holders to miss it or to feel capable of the self-reliance such a life demands. What they want is a guarantee of work at a passable wage. Politically, they are happy to sell themselves into slavery.

Why, though, is the collectivist state not a serious likelihood? Belloc's answer is simply that its establishment would require the violent displacement of the capitalist class and that this is neither possible nor considered acceptable among (British) socialist theorists. The timid socialist becomes the social reformer. But all reformist programs, in fact, reinforce the already dominant class. For instance, the program to transform private into socialized enterprises by buying out the original owners proceeds only by offering these owners a greater revenue flow than they would receive from retaining these enterprises. As a result, those who may be relieved of the need to purchase privately the products of those enterprises will end up paying even more in taxes to finance the socialization of those enterprises.

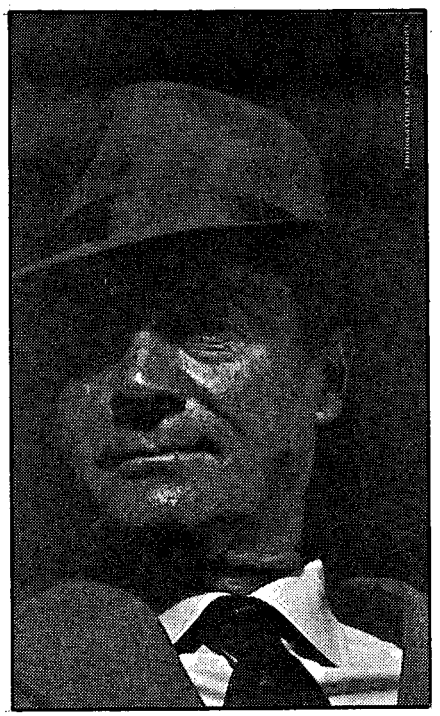
CAPITALIST SLAVERY

Socialist-oriented reform in the context of a capitalist society means the return of the servile state with the capitalist as slavemaster. This line of development is furthered by the capitalist's ability to become the administrator of socialist-inspired reforms. When approached with a scheme that would confiscate his property and regulate his employees while providing them with some increased security, the capitalist can usually engineer the deletion of the first goal in return for which *he* will provide the control and security as an agent of the State. He is happy to say, "I will compel my employees....I will undertake the new role imposed on me by the state. Nay, I will go further, and I will say that such a novel arrangement will make my own profits perhaps larger and certainly more secure."

Nevertheless, while agreeing with Belloc about the likelihood of co-option of interventionist reform and while allowing his use of *capitalism*, we must still seriously question his central prophecy. For when Belloc talks about the return of compulsory labor, he means it. He even thinks it very likely that the slave will not be "of capitalism in general but of, say, the Shell Oil Trust in particular." When

(*Continued on p. 49.*)

THE DETECTIVE AS TRUTH-SEEKER



A Ross MacDonald novel is more than a thriller.

by Lester H. Hunt
and Deborah Katz Hunt

A GREAT MANY PEOPLE who have never read a detective story believe they know well enough what they are like. They are merely puzzles told in the form of a story; the reader's goal is simply to figure out "whodunit" before the sleuth does. The author helps him by planting "clues" along the reader's path, and the reader must find those clues.

But the clues are cunningly disguised and surrounded by red herrings that go off like harmless land mines under the reader's feet. For instance, someone is found stabbed to death and there is no weapon in sight, only a mysterious wet spot around the fatal wound (it is later revealed that he was stabbed with an icicle that subsequently melted). Or the sleuth finds the body of Sir Egbert Mollycoddle, beaten to death, but not a single clue... unless that leg of mutton on the floor is one (he later proves, with a few facts and a chain of syllogisms, that the mutton was frozen at the time of the murder and was in fact the blunt instrument that changed the shape of the late Egbert's head).

The criminals in such stories kill from motives that would never drive anyone we know to an act of violence: for instance, the desire to prove that one is more intelligent than the police (big deal). The author tells his story with a frivolous, Hitchcockian amusement, suggesting that his attitude is really the same as his imaginary killer's—murder, the ultimate act of cruelty, is treated as a pretext for a pointless display of cleverness.

THE ART OF MURDER

Of course, this is not the sort of story Ross MacDonald writes. He is by all accounts the best living exponent of a tradition that rejected this sort of mystery writing about 60 years ago. That tradition, which is most often called "hard-boiled detective fiction," was developed by a group of American pulp magazine writers in the 1920s. Certainly the best of them was former Pinkerton detective Dashiell Hammett, whose first novel, *Red Harvest*, was published in 1929. With the appearance of this bloody yarn, as Raymond Chandler later said, "Hammett took murder out of the Venetian vase and dropped it into the alley"; he "gave murder back to the kind of people who commit it for a reason, not just to provide a corpse."

This gritty and sometimes shocking realism was the most obvious innovation of Hammett and the other early hard-boiled writers. More important was the fact that they created an alternative to the bemused detachment that dominated English crime writing at the time. Of course, the alternative could not mean avoiding detachment altogether: mysteries are written and read in larger quantities than other types of fiction, and no one who is not sadistic or masochistic could either read or write many tales of murder in a state of sensitive and passionate involvement.

What they created was a new and more honest kind of detachment: a distinctive bullet-biting toughness. Their humor was bitter and ironic, and not cute, as befits their subject matter. This new attitude, which is exactly what is "hard-boiled" about this kind of writing, makes it possible to acknowledge the real horror of human destructiveness while holding the distance needed to preserve one's sanity.

Hammett was the great pioneer. Raymond Chandler built on the foundations laid by Hammett's brisk, sophisticated melodramas in a series of novels beginning with *The Big Sleep* (1939), adding some things that were entirely his own—mainly, a vividly atmospheric style as richly orchestrated as a Puccini opera. Each of Chandler's stories is a journey to another time and place—usually in and around the Los Angeles of the '30s and '40s—and each time he convinces us that we know how it looks and smells.

Unlike Hammett (who only wrote five novels) and Chandler (who wrote a total of seven), Ross MacDonald has been consistently productive, writing a book about every year and a half for the past three decades. *The Blue Hammer*, his latest, shows that he is still going strong: it is one of his best. Yet although he is by far a more dependable producer, readers who love his two classic predecessors sometimes find MacDonald disappointing. Next to Hammett's exhilarating directness and moral simplicity, MacDonald's psychological studies—full of Freudian themes and hints of the complexity of moral truth—can seem pretentious. They don't have the sort of atmosphere that Chandler's stories have: the reader is only aware of time and place to the extent that the author explicitly tells him when and where the story is supposed to be taking place.

There really isn't much to distinguish his novels from one another, and it is hard to remember which is which after one has read several. One MacDonald reader told us that she finds herself beginning one only to realize she has read it before. They have an unusually large cast of characters (about 15 important ones in each), and the author makes no attempt to explore any one of them in depth. While we remember all five of the major characters in Hammett's *The Maltese Falcon* with a sort of reluctant affection, we generally don't remember MacDonald's characters as individuals at all.

We should think twice, though, before holding against him the near-interchangeability of his books. He is easily good enough that if he misses achieving a certain effect, he must not be aiming at it. To appreciate what he does achieve, we have to look where he is aiming.

A MASTER OF PLOT

Although the art of close and careful plotting often seems to be dead in contemporary literature, in MacDonald it thrives. He dazzles the reader by fully exploiting a certain unique possibility of mystery plotting.

A plot is an orderly system of events connected by cause and effect. It has a beginning in time and a temporal end. The author may choose not to tell it, however, in the order in which it "happened," starting at the beginning and ending at the end. The telling of the story may leap around in time, as in Kesey's *Sometimes a Great Notion.* Using the format of the mystery story, MacDonald pursues a neater alternative: he folds the plot in half and reveals both parts to his reader gradually and simultaneously.

One part of the story is the one that occurs in the present. It is the story of the complex doings and relationships encountered by Lew Archer—the detective-hero who is also the narrator—as he conducts his investigation. It begins as Archer enters a situation that has something wrong with it—in *The Blue Hammer* a painting is missing and *seems* to have been stolen. He is hired to find out what has happened. The pieces of information about the past that Archer picks up begin to develop into a coherent story that includes some of the same characters as the present story—more and more as time goes by.

Meanwhile, the situation in the present does not stand still. There really is something wrong with it, it is unstable. It blows up, usually around page 45 when Archer discovers the first corpse. The previous owner of the missing painting has been severely beaten, and as he dies he says something that jars loose an assumption we have been making for a long time. It is obvious that the first murder is only the beginning; there is "unexpended trouble in the air," as Archer says.

We are soon faced with many mysteries, the murder being only the most important one. Mainly, there are relationships between characters—hatred, indifference, desperate attraction—that have no visible cause. It becomes clear that the present story *as a whole* will make no sense until we understand the murky past story and see how the two are connected. There are many such connections, and one of them is the solution to the murders themselves. They developed out of the events in the past and were committed by someone we have met in both stories. The solution is, more or less, the key to the other connections.

As the two stories develop overlappingly, they sometimes display the awesomely complex logic of a Bach fugue. At their best, they are grand structures that deserve to be contemplated for their own beauty. When the key connection is found, the two stories lock together into a single system—the plot. When it happens, it can be revelatory; we haven't merely found out whodunit, we seem to understand *everything.* It almost redeems the tragedy we have witnessed.

TROUBLE

The revelatory last scene of *The Galton Case* is an early-morning confrontation between Archer and an odd group of characters, one of whom is now a corpse slumped on an old bed. In the last lines, Archer hears a bird sing as dawn begins:

> I went to the window. The river was white. The trees and buildings on its banks were resuming their colors and shapes. A light went on in one of the other houses. As if at this human signal, the bird raised its voice again.
>
> Sheila said: "Listen."
>
> John turned his head to listen. Even the dead man seemed to be listening.
>
> THE END

After reading the story that ends here, the effect of these lines is something like a mystical experience, with the important difference that the symbolic light that floods Archer's world is the light of natural, rational insight.

Readers who love Hammett and Chandler sometimes find MacDonald disappointing.

As a matter of fact, MacDonald could often afford to drop the mystery format altogether, dispensing with the chance at revelation it gives and telling the story from beginning to end. His plots would still be complex and logical enough to be satisfying. He had originally intended to write *The Galton Case* as a "straight" novel; its being a mystery only makes a good plot better.

He does not go through the immense labor of constructing such plots on the grounds that every well-made novel needs one (if he believes that at all); it is almost forced on him by his view of reality. Human events in Archer's world carry the most important characteristic of plot in themselves: they are rigorously and intelligibly connected by the laws of cause and effect. His plots unfold from one particular sort of causation, a moral and psychological force that Archer continually calls "trouble."

MacDonald's concern with trouble is conscious and pervasive. It shows up in the title of the early novel *Trouble Follows Me* (1946) and in many of Archer's remarks, like, "She was trouble looking for someone to happen to" (*The Wycherly Woman*). "Trouble" is his name for the destructive consequences that follow from human irrationality and viciousness (usually the former). The real trouble begins when we can no longer control the destruction we cause. A blackmailer appears in the aftermath of what seemed a perfect crime; or an illegitimate child shows up, bringing home to his lost father the consequences he has never faced. Things get out of hand.

Once a mistake is made, trouble follows with a logic as intricate and ruthless as algebra. It resembles the "justice" (*dike*) in Greek tragedy, a cosmic force that the ancients believed restores an imbalance in nature created by wrongdoing. But trouble is not justice in our sense of the word, because it harms the innocent and the guilty alike. Trouble therefore must be stopped, and that is Archer's task. He discovers who is criminally responsible for it, not so that retribution can be exacted for what they have done, but simply in order to have them locked up someplace where they can no longer harm others or themselves. The point is to bring the tragedy to an end before trouble has expended itself.

Trouble, in Archer's world, is not so much the doing of individuals as it is the doing of relations between people. Good things come mainly from individuals acting as individuals—justice only comes from integrity and intelligence such as Archer's—but destruction is almost entirely social. Trouble usually begins in morbid relationships within a family, such as Fred Johnson's relations with his overprotective mother and dipsomaniac father in *The Blue Hammer.* This in turn poisons one's relations outside the family, which in turn can damage the lives of others even if they resist it.

So trouble radiates from a system of characters, and the system tends to be a group of families linked by irrationality, cowardice, and guilt. This is why MacDonald's stories have so many characters, and it is also why there is no deeply *individual* characterization. When we read them we must look at character in a way that is quite different from the one that works with most other authors: the point here is to understand this system. When we read to the end and the past story and the present story suddenly fit together, the shifting relations among the characters lock into place. That is how we see where the trouble lies, the source of the whole tragedy.

MacDonald's theme and his distinctive plotting and characterization are all perfectly suited to one another. The peculiarities of his characterization are dictated

by the fact that his theme is the nature of trouble, and trouble is what shapes his plots. Together, they form a method that he has used to construct one book after another, books that, in a certain way, are much the same—primarily, they were all made by using this method. Well, why not? It works.

A MODERN HERO

What does the hero of a detective novel do? Really, the answer is simple: *his job*. More than anything else, a detective novel is about a man at work. This is not true of any other type of fiction. It means that it gives us a chance to see something that is rare in fiction today: competence. Some of the most absorbing passages in MacDonald describe Archer pursuing a series of more or less menial activities—digging through old newspaper files, calling hospitals for a missing witness, driving hundreds of miles on a vague lead—and they are absorbing because he does all these things with a single goal in view, and we see that they are all aimed squarely at his goal with a steady hand.

That goal, of course, is *the truth*. Although crime detection is not the only profession that commits one to a search for truth—the scientist also seeks truth—detective fiction is the only type of literature that is so single-mindedly concerned with it. Although scientists' work made the field of science fiction possible, science fiction is not generally about the scientist's search for truth. Typically, it describes imaginary worlds in which certain imaginary scientific truths are already known.

The way in which MacDonald's works are concerned with truth makes it difficult for some people to take him seriously, because it commits him to a kind of optimism that conflicts with the dominant pessimism and nihilism of contemporary "serious" literature. Every mystery story is based on the assumption that the truth is very important and that, if enough virtue and skill is brought to bear, the truth will out. Any story of which this is not true is not really a mystery. A mystery is the story of a search for truth that ends with the truth's being found. It is therefore the story of a success.

At the beginning of a MacDonald novel we face a bewilderingly large mass of facts. Some readers take notes just to keep the characters sorted out. Most of the "facts" are the mere say-so of the rather dubious characters, and some of them are contradictory. All of them are more or less meaningless. Yet, in spite of the confusion, we feel oddly exhilarated, because we know that eventually it will all make perfect sense, impossible as that may seem.

When Archer does find the solution, he does not do so by a means of a series of intricate Holmesian deductions. The method he uses is much more like that of a literary critic interpreting a familiar text: he finds an explanation that fits all the ascertained facts, the *only* one that does so. Although his solution is always complicated—much more so than the simple ones the police usually come up with—it is the sort of thing that can hit you with a single liberating flash. The reader of a mystery has a right to expect that.

The protagonists of today's "serious" literature are often tortured, anxious, doubting men and women for whom life is a broken promise. Detective stories cannot be like that, not entirely. Still, MacDonald does not very neatly contrast with the likes of Pynchon and Didion and Mailer, either. He is, after all, a modern writer—the whole hard-boiled tradition is a modern tradition, a child of the 20th century. Today's serious writers tend to write in fragmented and difficult styles because they tend to believe that reality is fragmented and difficult. While MacDonald's style is nothing like that, the world we face at the beginning of one of his novels is precisely the fragmented world of modern literature, but with an enormous difference: in MacDonald those fragments will fit together and make sense.

Archer is separated from the morally compromised people around him by the fact that his attention is absorbed in his work.

The hard-boiled tradition is both modern and antimodern. It places a romantic hero in a naturalistic world. The detective is better than the people we know, but he navigates a world of people who are mostly worse: crooks, psychotics, fools, and creeps. Built into the genre is the possibility of falling in either of two directions. On the one hand, since the detective is a compassionate and ultramoral person under his hard exterior, it can collapse into sentimentality. This happens in *The Blue Hammer* in the scene between Archer and Betty Jo Siddon in the yard of the Johnsons' house, a scene that most resembles an oasis of treacle in the harsh landscape of the story. On the other hand, things can go about as far into modernity as one could want. In *The Postman Always Rings Twice*, James M. Cain created an atmosphere of psychopathic sordidness simply by writing a hard-boiled story about a murder and leaving the detective out.

Archer's work is not only the subject matter of the novels he appears in, it is also fundamental to his own character. It is what makes him good. Because he has a firm sense of purpose, the things that tempt others don't tempt him. The people who cause trouble around him tend to be either women or rich men, and the one thing these two groups have in common is the fact that their positions in life offer special opportunities for idleness.

While the poor people who become criminals in Archer's world generally do so out of a desperate need to improve their lot, the rich tend to cause trouble for a very different reason. A wealthy man's position is one in which he no longer has to do anything productive, while he *does* have to preserve what he already possesses. Such an orientation toward the past rather than the future, toward things rather than actions, is unwholesome and leads to an unwholesome self-indulgence. When he sees their homes, Archer always seems to detect a heavy, stagnant, museum-like quality that somehow suggests trouble to him. When he describes his first visit to the home of his wealthy client in *The Blue Hammer* he remarks: "I could feel the weight of the structure surrounding and hanging over me. It was more like a public building than a house." MacDonald's characterizations of rich people tend to be anticapitalist caricatures, but they also express a valid insight about the conditions of human worth.

The worth of the women in Archer's world depends entirely on whether or not they are occupied by some sort of work. Good women are either devoted to their families or involved in jobs outside the home. The woman Archer falls in love with in *The Blue Hammer* (and, by the way, readers have been waiting years to see this) is singular only in her intense pursuit of her career as a journalist. As a result, she does not have a certain flaw that many of MacDonald's women suffer from: she does not cling to Archer or try to possess him.

Fundamentally, Archer is separated from the morally compromised people around him by the fact that his attention is absorbed in his work. Beyond that, the unique nature of his work, the fact that it is a pursuit of the truth, also separates him. Someone who seeks only wealth and power might use almost any means to gain his end, but someone who seeks truth and justice as Archer does cannot do so by wholesale use of untruthful and unjust methods. His noble end ennobles his means. ◧

Both fans of Ross MacDonald, the Hunts reside in New Jersey, where Lester teaches philosophy and Deborah is completing graduate studies in English.

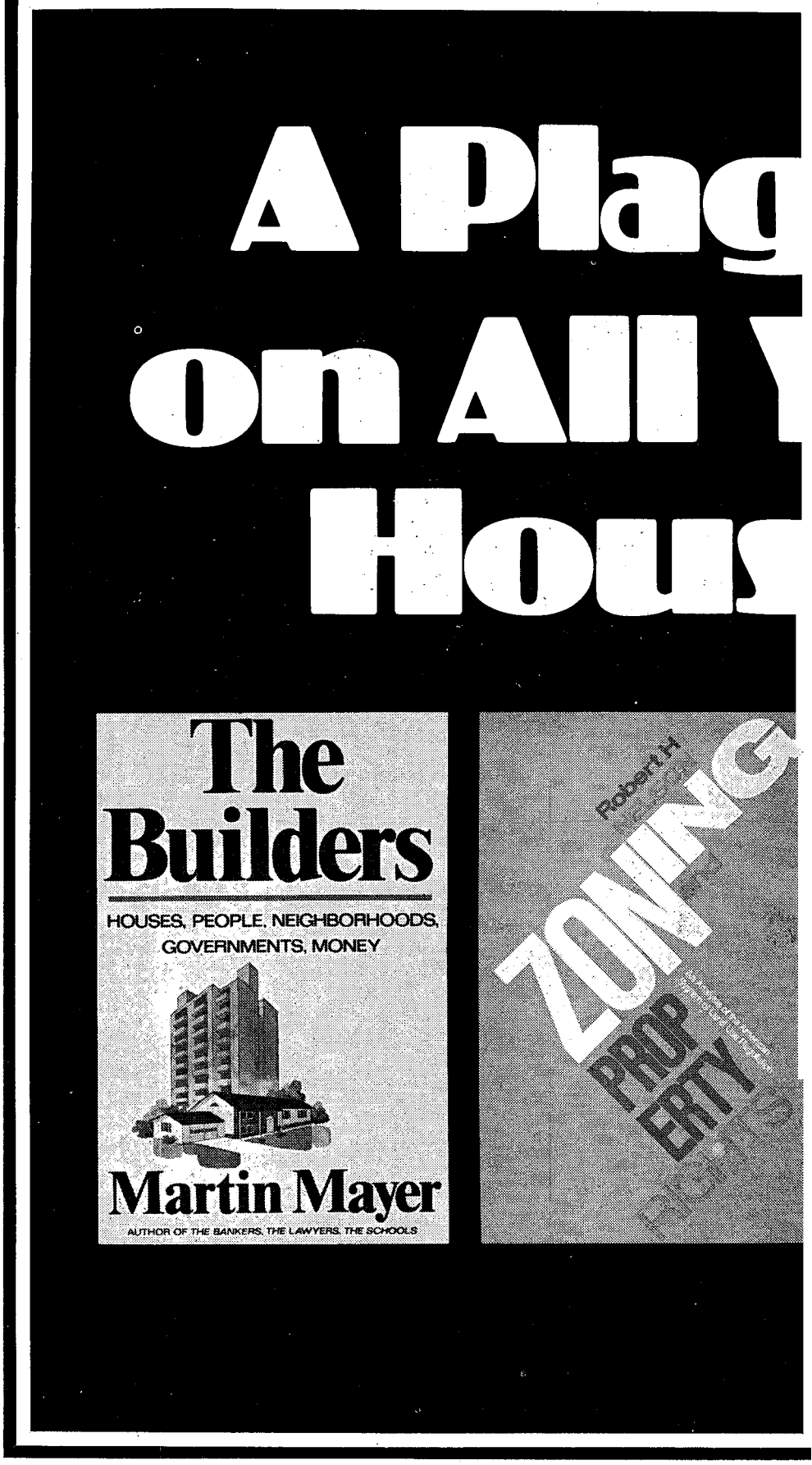
Three new books identify government as the culprit in our serious housing problems but fail utterly to offer appropriate solutions.

by John McClaughry

The Builders
By Martin Mayer
New York: W. W. Norton & Co. 1978. 468 pp. $15.

Housing Costs & Government Regulations
By Stephen R. Seidel
New Brunswick, N.J.: Center for Urban Policy Research. 1978. 434 pp. $15.

Zoning and Property Rights
By Robert H. Nelson
Cambridge, Mass.: MIT Press. 1977. 259 pp. $16.95.

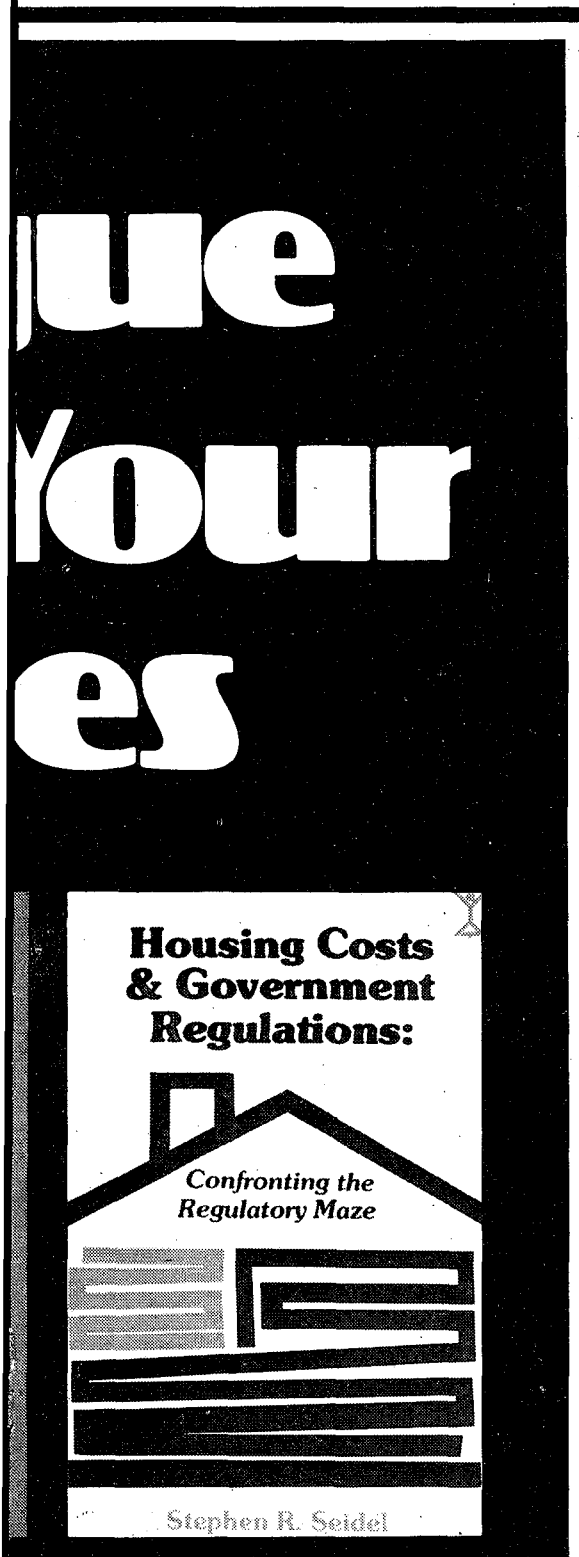


FOR MANY YEARS there has been a pressing need for a thorough, reliable, and readable volume that can serve to initiate the intelligent layman into the mysteries of housing, mortgage finance, and government regulation of development and construction. Martin Mayer's *The Builders* largely fills the bill. In fact, his book is to the American housing industry about what *War and Peace* was to 19th-century Russia in panoramic description.

Four hundred and twenty-three pages into *The Builders*, author Mayer remarks, with a slight trace of surprise, that "this whole long book turns out to be, not by design, virtually a compendium of the ways government actions have inflated housing costs." Indeed it is. For throughout the preceding pages the reader sees a ghastly procession of foolishness, venality, stupidity, incompetence, and calamity, practically all of it caused, encouraged, or demanded by one or another level of American government.

HORROR STORIES

Thus we see, like hideous vignettes in a Fellini film, city code enforcement producing widespread abandonment in Chicago's Woodlawn ghetto; onerous regula-



tion in center cities driving development to the suburbs; abandoned parcels frozen out of the market, while their scavenger owners work to persuade the urban renewal agency to buy them at inflated prices; slum arsonists given priority for occupancy of public housing units; HUD bailing out Manhattan Plaza in New York (where else?) by promising to pay a $600 *per month* subsidy on two-bedroom apartments over the ensuing *40* years (cost: $460 million or more); and the "moral decay of numerous middle-level federal bureaucrats" in FHA field offices.

There is more, much more: the FHA sternly prohibiting lenders from offering insured mortgages to blacks in white neighborhoods (a practice now presumably discontinued); the union electrician standing a lonely vigil over one burning light bulb while other workers do their jobs; New York City building inspectors turning away preassembled plumbing trees; landlords (again in New York) deliberately renting to criminals and undisciplined welfare families to get even with tenants who, thanks to rent controls, had been robbing the landlords for years; the madness of RESPA (the 1974 Real Estate Settlement Procedures Act), which provoked a successful revolt by realtors and bankers akin to that of car owners against seat belt interlocks; San Diego's "controlled growth" plan, through which a $5 fee for a lot map in 1972 became a $1,011 fee by 1974; and the FHA/EPA requirement in Phoenix that all insured houses have $70 water softener attachments, even though the water softeners could not be installed because disposal of the salts threatened the state's water supply.

Mayer's compendium of crimes by the government is not the only value of the book. In between a recitation of various outrages, Mayer offers a few nuggets of wisdom. He points out that the prevalence of "rapacious developers" can be traced directly to the fundamental capriciousness of zoning and environmental regulations, which make home building so risky an occupation that only high profits on successes can make up for disastrous losses on government-induced abortions. He is sharply critical of tax systems that "could be advocated only by people who believe in their hearts, as so many do in Washington, that all income really belongs to the government, which out of charity permits private persons to use some of it some of the time."

"Because the people who buy houses have a higher average income than the people who put their money into savings institutions," Mayer observes, "the ceiling on interest rates can be condemned as a subsidy from lower-income households to higher-income households." Has government housing aid helped society as a whole? Well, says Mayer, "there is a strong case for the proposition that the net impact of the programs has been negative for the population as a whole—that there would be fewer run-down neighborhoods, fewer blighted urban apartment houses, and certainly a lesser allocation of family income to housing costs if HUD had been kept on a tight leash."

INCONGRUOUS REMEDIES

Mayer puts his finger on a key point when he remarks that "the great threat to the quality of life in America is not so much the things that get all the publicity as the erosion of the doctrine of personal responsibility for individual actions." And yet, rather distressingly, Mayer does not seriously address himself to the problem of changing the system to maximize acceptance of personal responsibility. While he notes an occasional nongovernmental alternative—such as the British-inspired Home Owners Warranty system, lamentably ruled illegal by the consumer watchdog, the Federal Trade Commission—Mayer's concluding recommendations are confined to changes in governmental practice, while preserving the spirit of intervention that has caused most of the problems he so ably describes.

For instance, Mayer repeatedly shows how continual inflation has disastrous effects in a marketplace where items are purchased and built over prolonged periods of time. But instead of mounting a no-holds-barred attack on the deficit financing that causes dollar depreciation, he settles on new coercive measures to cope with inflation's baneful effects. His proposals are, first, mandatory allocation of a portion of the funds of tax-exempt institutions into the housing finance industry, and second, a national usury ceiling for mortgage loans. This combination of forced investment in specified securities and a governmentally enforced ceiling on returns would be a lamentable turn of events, reminiscent of the national plans of totalitarian nations.

Mayer also favors a land sales tax to dampen speculation in land, which he rightly sees as the action of investors seeking a hedge against inflation. He admits that this will lead to a "distasteful political struggle," akin to the one that brought down the Dutch government in 1977; but he seems unwilling to accept the proposition that when the government continues to debase the value of the currency, citi-

zens have a right to protect their assets the best way they know how.

Some of Mayer's remaining prescriptions are much more consistent with his analysis: repeal of the Davis-Bacon "prevailing wage" price-fixing act, a shift of emphasis from rental to ownership in public housing, and opposition to so-called anti-redlining statutes, which Mayer rightly describes as "King Canute stuff."

Those who favor a free society, however, should be lenient with Mayer. For despite something of a "pragmatic collapse" in the final chapter, he has done an outstanding public service by bringing to the average reader a message well known to anyone involved in the housing industry. That message is, simply, that no matter how well-meaning it may profess to be, government is, in the last analysis, a menace to decent housing for Americans.

ADDING UP THE COSTS

Whereas Martin Mayer's book is written for, and will be read by, the general public, Stephen Seidel's book is aimed at economists and public policymakers. It lacks the breadth and the entertainment qualities of *The Builders*, but it is nonetheless a valuable work. For what Seidel and his associates at the Rutgers Center for Urban Policy Research sought to do is to estimate just how much Americans are paying for unnecessary and foolish governmental regulation of the housing industry.

Seidel proceeded in a highly systematic way. First, he surveyed building code administrators in 100 municipalities, and zoning and subdivision control officials in another 80 cities. Then he sent questionnaires to some 33,000 land developers and home builders, yielding 2,500 responses; of these, 400 were personally contacted and interviewed. Finally, Seidel conducted an extensive literature survey and completed three case studies.

Perhaps the most dramatic finding was the rapid rise between 1969 and 1975 in governmentally caused obstacles to the creation of housing. From 1964 to 1969, according to surveys conducted by the National Association of Homebuilders, problems directly related to government regulations (codes, zoning, FHA/VA, etc.) declined in importance from 15.4 percent to 4.1 percent of responses. But Seidel's survey revealed that by 1975 government regulation had skyrocketed, being cited by 38 percent of respondents as the most significant problem for staying in business.

Seidel goes on to discuss the problems and costs caused by building codes, energy conservation regulations, subdivision controls, zoning, growth controls, environmental regulations, and financial regulations. Like Mayer's book, Seidel's volume contains numerous horror stories. The city council of St. Petersburg, Florida, in 1974 actually gave preliminary approval to an ordinance requiring the last 25,000 residents to arrive in that city to take on illegal alien status, which could be converted to citizen status only when a vacancy opened up via death or emigration. (Fortunately, the council had a last-minute change of mind.) In New York (yet again) Seidel cites a survey by an undercover investigations unit that "found virtually 100 percent of the City employees with whom we had contact were directly involved in corrupt acts or had knowledge of their existence." In that city, inspector

(*Continued on p. 46.*)

Slumlord
By Albert Lee
New Rochelle, N.Y.: Arlington House. 1976. 155 pp. $7.95.

Many people who approve successive extensions to the welfare system still have reservations about them because of waste, bungling, corruption, and skyrocketing expenditures. But these same people seldom have similar reservations about building and housing regulations and federally subsidized "urban planning": "we've got to 'get' the slumlord, at least." The term *slumlord* has unfavorable connotations for virtually everyone.

Any such persons—and others who are not personally involved in this issue—should read *Slumlord*, a fine book that has been little noted and less reviewed. Though it reads like a novel, it is in fact a true story of one man's attempt to improve the slums of Detroit, while making money at doing so. Before the book is half over the central character (who did not write the book, but was interviewed in many sessions by Mr. Lee, who did) assumes rather heroic proportions.

Left to himself, the man who buys up one piece of slum property after another could make a go of it: he puts in new plumbing and wiring, repairs walls and stairways, etc., and dismisses destructive tenants. He can do all this and still make money, even from tenants who are on welfare, because he gets their welfare checks first and takes the rent money out before they see the check.

His principal opponent in all this, of course, is the bureaucracy—in this case, the city government. At first the reader tends to believe that the villains are the tenants themselves, for the moment he has improved a building they stop up the toilets, remove pipes, bash in walls, and so on. But they do this because they know that they can take the owner to court the next day for "violation of housing regulations," and until he makes the repairs again they will not have to pay him any rent (by city ordinance).

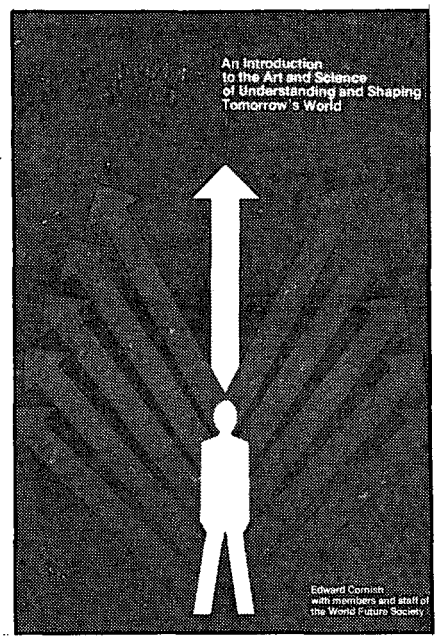
Slumlord is an account of how one owner tries to beat the system by making improvements in all the apartment buildings he buys—many of them simply abandoned by their absentee owners, while this owner lives in the immediate neighborhood and is on call 24 hours a day. He soon acquires a reputation for providing habitable apartments at minimal rents; and by selecting tenants skillfully, he earns their trust until at last they seldom vandalize the buildings they inhabit. He uses many different devices—for example, he offers a bounty, out of his own pocket, for every rat the tenants kill. An entire section of Detroit thus becomes well on its way to being resurrected from the ashes, entirely due to the enterprise and indefatigable efforts of one man, operating solely through private enterprise and without public funds.

Meanwhile, he is harassed constantly by demonstrating students from Wayne State University, who brand him "slumlord," take him to court endlessly, and incite renters to action against him. Unsuccessful at this, they succeed in prevailing on the city council to pass a new ordinance whereby the tenants' welfare checks go directly into their own pockets ("to preserve the tenants' dignity"). The result is predictable: most of them spend their checks at once, and the owner is no longer able to collect the rent. Without the rental income, he cannot continue in business: he has bought many buildings on credit, and with no income now coming from these he has to default on the mortgages, and one by one he loses the buildings. In the end he is forced to declare bankruptcy. A part of the city that he has rescued from the rats and the vermin thus returns once more to the condition of uninhabitability: the buildings are vandalized, the heat and light turned off, and the ruined hulks now stand in the darkness, empty, the tenants with no place to go, and no entrepreneur left who has any incentive to buck the impossible regulations. All this is done, of course, with the full approval of the city government, which brands the entrepreneur as a slumlord and requests vast new revenues from the state and federal governments with which to "improve the cities."

—John Hospers

Science Standing On TIPTOES

The Study of the Future
By Edward R. Cornish, with members and staff of the World Future Society Washington, D.C.: World Future Society. 1977. 307 pp. $9.50 (paper).


An Introduction to the Art and Science of Understanding and Shaping Tomorrow's World
Edward Cornish with members and staff of the World Future Society

What is futurism? Who's doing it? How will it affect you? What if it included the libertarian vision?

by Robert W. Prehoda

"IF ANYTHING IS IMPORTANT, it is the future. The past is gone, and the present exists only as a fleeting moment. Everything that we think and do from this moment on can affect only the future. And it is in the future that we shall spend the rest of our lives." With these words Edward Cornish begins one of the five or six best books about the future written to date. And the study of the future is the "most exciting intellectual enterprise of today," he declares.

It is refreshing to read a predictive book by an optimist—a cautious optimist without illusions who recognizes the potential dangers of nuclear war, ecological destruction, economic collapse, and related social disruption—who still believes that "we have it within our power to create a civilization incomparably superior to any in human history."

Members and staff of the World Future Society (WFS) assisted Cornish with his book, but it essentially remains the work of one man—a very remarkable futurist. He founded the WFS in 1966 and, serving as its only president, Cornish has built it into the largest futurist association in the world with 28,000 members in 81 countries. Moreover, he has served as the central catalyst in transforming the study of the future into futuristics, "a unique combination of science and art, management and morality, electronic intelligence and common sense that manages to avoid collapsing into total confusion because it maintains a unique perspective on reality—that of looking forward in time. This concentration on the future provides an organizing principle for the creation of a powerful framework for thought and action that can enable mankind to manage human civilization with increasing wisdom in the years ahead."

Futuristics, he adds, is not some "necromancer's brainstorm. Instead, it was developed by scientists and scholars who wanted to apply knowledge to solving human problems. Futuristics takes historical fact and scientific knowledge and adds human values and imagination to create images of what may happen in the future. Futuristics is science standing on tiptoes; it is history seeking to look forward instead of back."

Today, the new field of futuristics is severely polarized between the "catastrophists," who predict that the exhaustion of terrestrial resources combined with excessive population growth will lead to collapse of civilization, and their intellectual adversaries, the "cornucopians," who believe that inexhaustible supplies of food, raw materials, and *lebensraum* can be found for a human population they expect to reach 20 or 30 billion (even larger in some scenarios). Too many people? "Simply send them to space colonies," say the cornucopians. Some catastrophists expect a population crash between 2020 and 2050, in which starvation and pestilence reduce the global population to the 1970 level of three billion humans.

And futuristics is further polarized by heated debates between the "technological optimists" and the "technological pessimists." The technological pessimists are very critical of the petroleum, chemical, and nuclear power industries on the grounds that they are highly polluting and dangerous. They believe that solar energy is the only acceptable technology—their universal panacea. In contrast, the technological optimists "generally concede that technology has many unwanted side-effects, but argue that technology is essential to maintaining a high quality of life. Without modern technology, the technological optimists say, man would quickly return to barbarism. The opponents of modern technology, according to the technological optimists, are romantics who fantasize about the joys of simple rural living while forgetting the brutal realities of wresting a living from the soil without modern techniques."

STUDYING THE FUTURE

The man who has been able to build and hold together the WFS in spite of these extraordinarily hostile ideological divi-

sions is not a charismatic leader oozing deceptive charm. Instead, he has the outward appearance of a quiet, modest man who nevertheless has been able to keep warring factions of futurists together and create an organization that now influences America's most powerful leaders in industry, the media, academia, and government (recent US presidents included). To do this, Cornish walks the razor's edge of true outward neutrality; and this is reflected throughout his book, which has no discernible biases, liberal or conservative, pro- or anti-technology. It is neither cornucopian nor catastrophist. Instead it is descriptive, an exceptionally well-worded review of what contending futurists believe and foresee, who their principal leaders and gurus are, along with the most authoritative available summary of how futuristics has evolved from times gone by to its present status as a discipline that may allow man to *design the future.*

Cornish starts off with a discussion of the basic principles of "futurism." The evolving methodologies being refined for studying the future are described in text that can be understood by, and be of great value to, every reader who must make long-range plans for his business or related professional requirements. The actual experiences of private and governmental organizations who have employed technological forecasting and other branches of futuristics are summarized. Page 49 contains the best list of future trends I have seen—if recent trends continue (and the "if" should be stressed).

The ideas, motivations, prognostications, and influence of 11 prominent futurists are described in considerable detail, along with insightful biographical data on each of them. Cornish makes the important point that these individuals have been actively involved in futuristics but that many other persons "would have an equal or better claim to be among the top futurists." The point is not to illustrate "average futurists" but to display futuristics in practice.

There are flaws in every book, and *The Study of the Future* has some errors of omission. This may be due to the fact that most of the data in the book originated with people who live in the Boston-to-Washington axis. Excellent long-term forecasts made by Western aerospace firms are almost totally ignored. To some extent these deficiencies are made up for by an excellent list of 128 of the most influential future-oriented books, accompanied by brief synopses of their contents.

LIBERTARIAN OPPORTUNITY

Starting out in his cluttered living room, with the help of his wife Sally, in a single decade, one dedicated futurist has created a smoothly functioning international organization whose meetings, local chapters, and publications provide a practical and easy way for people everywhere—with all shades of ideological conviction—to participate in the futurist movement or at least to remain in touch with what is happening. For anyone interested in such participation, Cornish's new book is *must* reading. It should be read many times by anyone interested in the future. Mark it up. Underline favorite passages. Carry the best-worded sentences into your own writing. But do obtain a copy and use it as a tool that will allow *you* to have some degree of influence on the futurist movement and within rapidly growing organizations engaged in futuristics.

My latter suggestion is especially important to libertarians, who are conspicuously absent from the ranks of organized futurists. With the exceptions of G. Harry Stine, Jerry Pournelle, and Robert A. Heinlein (and myself), no libertarian authors have had any impact on the evolution of futuristics in recent years or are endeavoring to do so today. Instead, those concerned for the future of liberty appear to have abandoned futuristics to eastern and California "establishment" liberals who presently dominate the field.

As long as Cornish remains as the WFS president, however, futuristics and its most influential publications will remain open to all shades of opinion and social-

Today may be the last opportunity for libertarians to carve out a sphere of influence within the futurist movement.

political ideology. In Cornish's viewpoint, "futurists appear to be remarkably open to all types of ideas; in fact they seem to be constantly searching for new information about the world, and are never so happy as when they have found a genuinely exciting idea." Today may be the last opportunity for libertarians to carve out a sphere of influence within the futurist movement, to make certain that their values of personal choice and freedom from the growing specter of Orwellian governmental control are given proper recognition by those who study or engage in the practice of futuristics.

What is a futurist? Cornish describes futurists as "rational, scientific, and pragmatic in their outlook. They are not idle dreamers; in fact, their interest in the future seems to arise out of a desire to be really effective. They want genuine, long-term solutions, not temporary palliatives. They are also sensitive to emerging problems and want timely action taken before a problem grows into a crisis." These words could be easily paraphrased into an accurate description of libertarians. But they must begin to play an active role in futurist organizations, write for their publications, attend their meetings—or the futuristics of tomorrow will be irrevocably contaminated by the ideological beliefs of establishment liberals and egalitarian collectivists whose proselytizing skills are well honed.

I firmly believe that futuristics can serve as a framework for reconciliation and constructive cooperation between persons in leadership positions who, at least when negotiations begin, start out with widely divergent ideological convictions. "The peoples of the world do not share a common past, but they do share a common future." Breakthroughs in communication and transport have erased past boundaries, and there is no reason why libertarians cannot become the principal beneficiaries of the fact that revolutionary new concepts can spread around the world—and quickly become everyday reality—even faster than in past decades and centuries.

But are futurism and libertarianism inimical? Consider this futurist point, that we have it "within our power to create a better and happier human civilization than any that has ever before existed on this planet, but this greater world civilization is not foreordained: It may happen—or it may not. We may be able to avert disaster and continue creating a better world—but we may fail to do so. The issue is not settled." And consider this fact: "Forecasting is not some new and strange activity. It is as natural and necessary as breathing. . . . Forecasting the future is an action that is fundamental to human beings. Throughout our lives, we are constantly making forecasts." And "Without forecasting the future, there is no freedom to choose a future: The future is simply thrust upon us. By studying future possibilities, we begin to realize new possibilities that are open to us. We are not locked into our present situation."

But these simple truths do not seem to be properly understood by most libertarians. They seem to equate formal forecasting and futurists with the "planned economy" proposals of liberal politicians or the Soviet Union's numerous five-year plans. Their legitimate objections to the latter, however, have contributed to the fact that scenarios of a libertarian tomorrow are almost totally absent from futuristics publications. This absence is the most severe deficiency of contemporary futuristics.

Cornish's words again reassure. "Ideas have made civilization possible and keep it advancing. For example, the division of labor is one simple idea that has proved extraordinarily powerful through history. . . . Firmly convinced that ideas can move mountains, futurists are extremely interested in the systematic development of ideas. Better ideas will make it possible to improve the human condition." And there is no reason why libertarian ideas cannot become the dominant ideology of tomorrow's world. There are an infinite number of alternate future worlds, each somewhat different. The future need not be an immutable continuum of the present and recent past. The shadowy shape of things to come is not predictable, but we can design and build a libertarian society to replace the restrictive institutions of today.

UTOPIAS AHEAD?

To achieve this goal, libertarians will have to produce truly innovative solutions (not the standard "don't do anything about it" approach) to the many crises now confronting humanity. As Cornish observes, each of today's crises "is one of the best reasons for thinking about the future. Almost always, the crisis has resulted from a failure to deal with problems before they reached the crisis stage. In retrospect, it is generally easy to see how a modest amount of thought and effort—if invested earlier—could easily have forestalled the crisis, thus effecting huge savings in money and grief."

We live in a world of mounting crises, but one should remember that the Chinese ideograph for *crisis* is an amalgam of the symbols for *danger* and *opportunity.* "If we will really give serious attention to the future, rather than continue to lurch from crisis to crisis, we can hope for enormous benefits in the years ahead. Some of us may even live to experience life among the happy people in the multiple utopias which may someday dot the earth." ◻

Robert Prehoda, self-described as a "pragmatic libertarian," has written extensively on futuristics and has been associated for 23 years with the US space program and privately funded R&D on the retardation of aging in humans.

Nozick

(*Continued from p. 19.*)

against an El Al plane in Athens. Not any reprisal goes, however, as he argued also in a recent *New Republic* discussion of the insufficiently limited and pinpointed Israeli reprisal in Lebanon. But if another nation will not or is not able to control action against another from within its borders, then the attacked party may act in self-defense.

I found that Walzer's discussion of guerrilla warfare pays insufficient attention to the way guerrillas exploit the morality of those they attack. If it is important that the noncombatants be immune from attack, it is important that the combatants be distinguishable when encountered; such is the function of military uniforms. (So perhaps we should not scorn those who delight in wearing military uniforms, for they groove on the garb that demarcates them as legitimate targets.) What then shall we say of those combatants who refuse such garb and who presumably would imitate any special markings civilians adopted to designate themselves? When civilians are harmed, does *all* responsibility for this lie with those who act upon them, or does some rest on those who by their actions make the civilians so vulnerable to being confused with combatants? And when guerrillas operate in an area, living in the midst of civilians whose presence is a moral shield for the guerrillas and an extra moral restraint on the means those attacking the guerrillas may use, do the civilians have *any* responsibility to get out of the way?

If someone shoots at passersby from the window of my office and the police arrive to cope with him and, while not being kept a prisoner there, I insist on staying, shouting out, "I'm not violating anyone's rights, and so I will stay here at my desk working; it's your job to make sure not to injure innocent people, including me," then if I *do* get hurt as the gunman is overpowered, is none of that *my fault*? Is it only the police who are to be condemned for being insufficiently discriminating? The questions also are of interest to libertarians who hold that anyone has a perfect right to do anything provided it does not violate the rights of others. Does my staying in my office *violate* anyone's rights? Am I under an obligation not to *impede* by my presence the apprehension of the gunman? (Must others *induce* me to get out of the way, or may they *demand* I do so, with the consequences of my staying resting on my head?) And if I get shot in the middle of the confused melee, have my rights been violated by the police; am I owed the same compensation as if I had been held hostage there?

His discussion pays insufficient attention to the way guerrillas exploit the morality of those they attack.

Walzer assumes that if a guerrilla movement cannot be dislodged from the population who point them out, then it has the effective democratic support of the population. This takes insufficiently seriously the ways the guerrillas retaliate against those who turn them in. (The only case I know where this did not happen is that of the Irgun, led by Menachem Begin, which did not attack the Haggana people who helped the British apprehend them during what was known as the *season.*) Undislodgeable is not the same as popularly supported, given the fear or passivity of the others, as might be shown if ever a guerrilla group that came to power would permit (within Walzer's guidelines) *its* opposition to wage guerrilla warfare against it.

NEW THOUGHTS

Part 4 of Walzer's book contains an interesting discussion of the rights of neutral nations; an argument that in supreme emergency of national existence, the moral limits are relaxed and may permissibly be violated (which you will have to read and ponder); and also an unsatisfactory discussion of nuclear deterrence. I do not say this as a special criticism, for I am not familiar with (and don't have up my sleeve) a satisfactory moral position on nuclear weapons, on a deterrence defense posture that threatens great destruction of civilian lives. (Must one just renounce such weapons and succumb to the brandisher of them, who is willing to use them to crush one's non-nuclear might and civilian nonviolent resistance strategy?) We need some libertarian thinking on these issues.

I have touched only on some of the topics in this rich and stimulating book—those that sprang to mind as I looked at the table of contents six months after reading the book, when asked to review it here. You will learn a lot from this book and be led to new thoughts (sometimes different from Walzer's). If not, go ask Walzer for your money back. It's inappropriate, anyway, for an editor of the socialist magazine *Dissent* to receive and keep too many royalties. (Do you hear that, Irving Howe?) ◻

Robert Nozick teaches philosophy at Harvard and is the author of Anarchy, State, and Utopia.

Copyright 1978 by Robert Nozick

The Passions and the Interests
By Albert O. Hirschman
Princeton, N.J.: Princeton University Press. 1977. 153 pp. $10/$2.95.

THE GENESIS OF "THE INVISIBLE HAND"

AS THE CORNERSTONE of social analysis, the term *interest* has no rival today. Excise it from the vocabulary, and whole cadres of social scientists, policymakers, philosophers of law, critics, and journalistic social analysts would be silenced. But as Will Rogers (or somebody) said about the word *heaven*, "Everybody talkin' about it ain't goin' there," so it may be doubted that much of the preoccupation with "interest" knows whereof it speaks. Its ubiquity today is the outcome of strategies laid 400 years ago—strategies fraught with philosophical, ethical, social, and economic implications, but essentially political in character. It is these strategies and the long unfolding of their implications that are the subject of *The Passions and the Interests*.

In 1859, John Stuart Mill lamented that "there is now scarcely any outlet for energy in this country except business," and few would dispute the equal applicability of his observation today. If we have not altogether lost the precious capacity to wonder at ourselves, there is a fascinating question here. How did it come about that the broad term *interest* has been constricted in its meaning to economic interest, that the broad term *enterprise* has been narrowed to economic enterprise, that the broad term *worth* has been foreshortened to economic worth?

Patiently, ingeniously, and illuminatingly, Professor Hirschman of the Princeton Institute for Advanced Study traces the 400-year history of this devolution. The result is history of ideas at its best. *The Passions and the Interests* neither recuts the cloth of history to fit the body of present program, nor is it one of those insular exercises in scholarship that leave our own lives untouched. It is, as the best history must be, a remarkable contribution to our self-understanding, shedding light on how we have come to be as we are.

SOCIAL ORDER

The theme of Hirschman's disclosures is that the rise of economics to its position of dominance in modern life is not primarily attributable to the "Protestant ethic," nor to the celebrated "invisible hand," nor yet to intrinsic processes or laws of sociocultural evolution. It arose instead from a fundamentally political incentive—the need for social order in a time whose rampant disorder bespoke the failure, in this respect, of both religion and morality. Such early positivists in political theory as Machiavelli and Hobbes resolved to procure social order, not by calling upon motives that human beings in fact do not possess (religious and moral motivations that must be substituted for actual ones), but by extracting implications for order in existing human motivations, however uncommendable these motivations might be from idealistic viewpoints.

What Hirschman rightly terms the "astonishing transformation" by which economics gained ascendancy has two sides, negative and positive. The negative side consisted in clearing away rival sources of the principles of social order, specifically, religion and morality. The positive work was to substitute new principles by the daring move of elevating what had theretofore been universally condemned as a vice—avarice—to public respectability.

The Church was not so much attacked as circumvented by calling into the open the actual, mundane interests of (in the first instance) the sovereign, as did Machiavelli and the influential Huguenot statesman, the Duke of Rohan. On the other hand, the dominant morality of chivalry and the Graeco-Roman revival were directly attacked. In Hirschman's words,

> Writers from a number of Western European countries cooperated in this "demolition of the hero," with those from France—the country that had perhaps gone farthest in the cult of the hero ideal—playing the major part. All the heroic virtues were shown to be forms of mere self-preservation by Hobbes, of self-love by La Rochefoucauld, of vanity and frantic escape from real self-knowledge by Pascal. The heroic passions were portrayed as demeaning by Racine, after having been denounced as foolish, if not demented, by Cervantes.

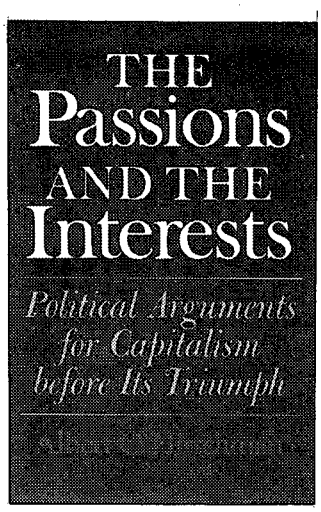
But it is the positive reconstruction to which Hirschman devotes most of his study, and in order to highlight the ingenuity of both the reconstruction itself and Professor Hirschman's extensive detective work, we will here bypass chronology to display the logic of the ideas at work. When at a later point Adam Smith characterized the acquisitive material interests of individuals as "the most vulgar and the most obvious," he was identifying, not the intrinsic disqualifications, but the superior qualifications of these interests as the basis of social order.

Smith was here encapsulating the growing recognition of a century of previous thought, that the most "vulgar" and "obvious" passions (and "interest" was but the term by which to elevate one "passion" above the others) are the most powerful and universal and thereby best qualified to render human behavior pre-

dictable. To teach (or release) persons to pursue their own interests does nothing for social order when those interests may be so diverse as to include interest in salvation by God, interest in moral approval by humankind, interest in craft, interest in sex, interest in material comfort, and so on. But if a person is sure to pursue his material advantage to the exclusion of all else, then be he prince or common man, we can predict with an acceptable probability what he will do.

This is the remarkable coincidence by which social advantage derives from sanctioned selfishness.

On the one hand, therefore, if a man pursues his interest, he himself will do well since, by definition, "interest will not lie to him or deceive him"—that was the very meaning of the proverb. On the other hand, there is an advantage for others in his pursuing his interest, for his course of action becomes thereby transparent and predictable almost as though he were a wholly virtuous person. In this fashion the possibility of a mutual gain emerged from the unexpected working of interest *in politics*, quite some time before it became a matter of doctrine in economics.



EVEN BEFORE ADAM SMITH, POLITICAL PHILOSOPHERS ELEVATED SELF-INTEREST TO THE KEY PRINCIPLE OF SOCIAL ORDER.

BY DAVID L. NORTON

BALANCING PASSIONS

Working with care, and often from widely distributed sources, Professor Hirschman uncovers this development step by step. The starting point is the resolve, by Machiavelli, Hobbes, and Spinoza (among others) to "take men as they are." The emerging strategy works its way downward from preoccupation with the sovereign, to interests of various groups among the ruled, to interests of individuals, and thereafter upward again (by the "invisible hand") to the "interest of the nation." It successively rejects the program of repressing the passions (the State as agency of coercion, a repressive bulwark) and the program of harnessing the passions through the civilizing, transforming medium of the State, in favor of "fighting fire with fire"—using one passion to countervail other passions.

Hirschman's researches disclose that Helvetius was the first to apply the term *interest* to the ruling passion. The gradual constriction of "interest" to self-interest, and thereafter to economic self-interest, is traced by Hirschman in Rohan, Shaftesbury, David Hume, Sir James Steuart, John Millar, Montesquieu, the Physiocrats, and Adam Smith.

One of a number of fascinating subtheses uncovered by Hirschman is the early touting of economic self-interest for its "innocence" and "gentleness," for example, by Shaftesbury, Hutcheson, and Hume, and across the channel by Montesquieu, who wrote, "it is almost a general rule that wherever the ways of man are gentle (*moeurs douces*) there is commerce; and wherever there is commerce, there the ways of men are gentle." If this argument strikes us as improbable today, Hirschman reminds us that commerce and its associated desires for gain were here being paid tribute against the backdrop of the tempestuous passions endorsed by the long-dominant aristocratic ideal.

In Part 3, "Reflections on an Episode," Hirschman directs attention to certain thinkers—notable among them Adam Ferguson and Alexis de Tocqueville—who expressed grave doubts about the purported beneficent social consequences of sanctioned self-interest in individuals. Thus Tocqueville observes, "These people think they follow the doctrine of interest, but they have only a crude idea of what it is, and, to watch the better over what they call their business, they neglect the principal part of it which is to remain their own masters." And he warns that preoccupation with private interests is the invitation for a "clever and ambitious man to seize power."

CAPITALISM'S INCENTIVE

Professor Hirschman offers brief but provocative concluding remarks on a number of related themes. He compares his thesis to Max Weber's claim that capitalistic behavior was the indirect result of a desperate search for individual salvation, pointing out that the two theses are not incompatible but noting that "Weber's thesis has attracted so much attention that the latter topic [the theme disclosed by Hirschman] has been totally overlooked."

He comments directly on the "invisible hand" as an explanatory device in social science, suggesting that it needs to be supplemented by its obverse. "On the one hand, there is no doubt that human actions and social decisions tend to have consequences that were entirely unintended at the outset. But, on the other hand, these actions and decisions are often taken because they are *earnestly and fully expected to have certain effects that then wholly fail to materialize.*"

And he calls attention to important political arguments for capitalism other than the one he has uncovered. "A currently much more familiar argument," he notes, "states that the existence of private property, and in particular of private property in the means of production, is essential to provide people with a material basis for dissent from and opposition to the authorities of the day."

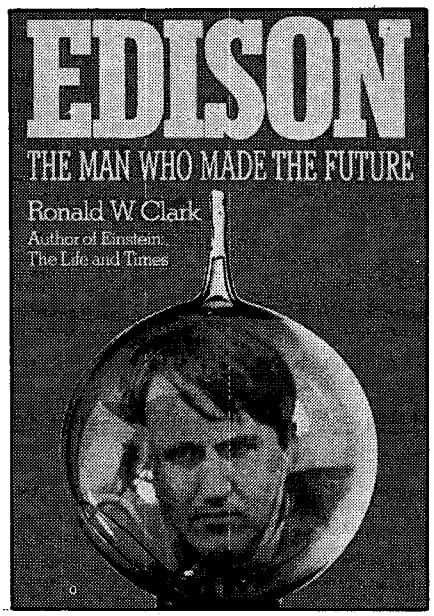
This relatively brief and completely accessible study can be read in an evening or

(*Continued on p. 49.*)

Explaining Scientific Genius

Edison
By Ronald W. Clark
New York: G. P. Putnam's Sons. 1977.
256 pp. $12.95.

Einstein
By Ronald W. Clark
New York: World Publishing. 1971.
718 pp. $15.
New York: Avon Books. 1972. 864 pp.
$2.95.



Clark's flawed lives of Edison and Einstein can reveal what scientific biography should be.

by Morton L. Schagrin

JUDGING BY THE NUMBER of bestsellers purporting to detail the lives of Jacqueline Onassis, Elvis Presley, Lyndon B. Johnson, and the like, there is a ready market for biographies of the famous. To some extent, this is also true of less-contemporary figures and of people renowned for their contributions as scientists or inventors. Perhaps biographies of scientists attract because of the mystique of "weirdness" surrounding such persons, and for inventors, perhaps it is the romance of ingenuity. But what should we get from accounts of such people's lives? When is a biography of a scientist or inventor a good one?

In *Edison: The Man Who Made the Future*, Ronald W. Clark attempts to do for the inventor Thomas Edison what he did for the scientist Albert Einstein in his earlier book, *Einstein: The Life and Times*. Unfortunately, Clark is even less successful as a biographer in this later volume on Edison. At least in the earlier Einstein volume there is a rich account of those social and political events of the early 20th century that had an immediate impact on Einstein's life. There are, in addition, a number of anecdotes about Einstein's encounters with friends and scientists that exhibit some of their personalities and attitudes. Yet as a comprehensive biography of Einstein, this work is seriously deficient.

These same deficiencies occur in the Edison biography—without, however, the benefits of an account of the social and political milieu or informative vignettes of the persons with whom Edison dealt. Thus, the Edison biography is a double failure. One is left asking why such a work was published, since it is not as rich, sensitive, and complete as Matthew Johnson's *Edison* (McGraw-Hill, 1959).

Although *Einstein* is, in some respects, a better book than *Edison*, they both are unsuccessful biographies, and for the same reasons. What are the sources of the failure? More generally, what would make them successful?

A biography is an account of the life of some person. If the subject is an important or significant person, then the account should at least describe those activities and accomplishments on which this reputation is based. Einstein's major accomplishments were the special theory of relativity and the general theory. Of somewhat lesser importance, albeit still significant, were his accounts of the photoelectric effect and Brownian motion. Edison is known to everyone for his success with the light bulb and the phonograph. The public frequently overlooks his important contribution to the origins of motion pictures.

Of course, not just any description of these achievements will do. In order to be adequate and informative, descriptions must satisfy certain requirements. In the case of Einstein's or Edison's or any such person's achievements, these descriptive requirements depend on the nature of scientific or technological activities.

Science and technology are two distinct enterprises, but there is a grain of truth in the common view that lumps them together. That is, from one point of view both science and technology, especially in the innovative phases, are quite similar activities. In very general terms, scientists and inventors are trying to solve problems. Successful scientists and inventors have arrived at problem solutions that have been recognized as more adequate solutions than any alternatives. If we are to understand and appreciate the dominant preoccupations of such persons, we must be given an account of the problems, the problem-solving activities, and the solutions themselves. This sounds straightforward enough, but there are certain pitfalls to be avoided in such an account.

What problem was the subject trying to solve? His own description of it frequently differs from the description given by most of his contemporaries. Indeed, in many cases (especially in theoretical science), his contemporaries did not even perceive the problem. Sometimes they even explicitly denied its existence. So it is essential, I believe, to describe the problematic situation from the viewpoint of the rest of the relevant society as well as from the point of view of the subject of the biography. Then, insofar as it differs from the typical viewpoint, the subject's idiosyncratic point of view requires a biographical explanation.

What of the attempt to arrive at a solution? The subject's idiosyncratic view of the problem provides us with a standard by which to evaluate the strategies of his problem-solving activities. Thus, what appears to be pointless from the typical contemporary perspective might make perfectly good sense from the subject's perspective. The subject's shift in approach also frequently accounts for his success over his rivals.

And the solution itself? It must be described in sufficient detail to show that, and how, it is a solution. And some effort should be made to show why it is a better solution than any competitors. Because of differing perceptions of the problem,

however, the characterization of the successful solution is not always a simple matter. Hence, when the subject solves *his* problem, it is often not immediately apparent how his solution is a solution to the problem perceived by his *contemporaries.*

Writers (and scholars) who do not have a firm grasp of the above general principles often produce what Butterfield has called "Whig history." Events and actions are described and evaluated in terms of their relevance or contribution to present states of affairs, rather than in terms of their own times. This is just what we find in Clark's *Einstein* and *Edison.*

EINSTEIN'S PROBLEM

What was the problem to which Einstein's special theory of relativity was a solution? The surprising results of the Michelson-Morley experiments, says Clark. Michelson and Morley split a beam of light in two, sending one part on a path parallel to the earth's motion through space and the other part on a path perpendicular to that motion. The split beams should have required different times to traverse equally long paths because of an assumed ether "current" created by the earth's motion. From the time difference, Michelson and Morley had hoped to calculate the relative speed of the earth through the ether. But they were never able to observe the expected time difference.

Clark tries to place the results of the Michelson-Morley experiments in proper perspective, but these efforts are quite beside the point. Even if we concede that Einstein was aware of the experiments (through Lorentz), it is perfectly evident that he was not explicitly trying to resolve the problem generated by their results, although the theory, incidentally, does provide a solution.

It is, moreover, quite misleading to characterize the Michelson-Morley experiments as attempts to "detect" the ether; no one doubted its existence. Michelson and Morley were trying to *measure* the effect of motion through the ether on the speed of light. Their non-null (!) results, however, did not coincide with the predicted effect. So, again, we ask, what was the problem Einstein was trying to solve?

The clue to the correct answer is the title of Einstein's paper: "On the Electrodynamics of Moving Bodies." There was a set of problems associated with the behavior of electrically charged moving bodies that both Lorentz and Poincaré were working on. Einstein approached these problems from a perspective acquired from his teacher Föppl, who is only briefly mentioned by Clark. It is crucially important to distinguish Einstein's approach from those of Lorentz and Poincaré, but Clark fails to do so (as did Sir Edmund Whittaker, who wrote the classic *History of the Theories of Aether and Electricity*). These were the real alternatives to Einstein's solution, not the red-herring list of alternative explanations of the Michelson-Morley experiments (again!).

This list is curious. To explain the experimental results, the following alternatives are presented: (*a*) the earth is not in motion, (*b*) ether is carried along with a moving earth, (*c*) Maxwell's theory was incorrect, or (*d*) there is a new "perverse" phenomenon in nature accounting for the difference between prediction and observation. (Notice that Einstein's solution is not on the list.) Now (*a*), a stationary earth, was never a real alternative. Stellar aberration, observed by Bradley in the 18th century, did not rule out (*b*), Fresnel's theory of ether drag; other experiments did, however, make this alternative an unhappy choice. Option (*c*) was still a live choice, which Einstein explicitly refused to accept because of its precise confirmation in so many ways. And (*d*) was the famous Fitzgerald contraction hypothesis, which supposed that bodies in motion shrink in size along the axis parallel to the direction of motion. Clark maintains that Fitzgerald's hypothesis was nontestable; in fact, it can be tested with an unequal-arm interferometer. In any case, an alternative such as (*d*)—a new phenomenon in nature—can never be ruled out as an explanation of any result.

One would suppose that Clark, having emphasized the importance of the Michelson-Morley experiments, would show how special relativity provides a solution to the problem of light traversing a moving medium. Instead, he presents us with a discussion of the velocity of light when the source and receiver are in relative motion. This is in interesting, important, but different problem. (Special relativity answers the original question by denying that there is a medium, or at least a medium with properties whose effects are velocity-dependent.)

EDISON'S SUCCESS

Turning now to Edison, I think it fair to assume that everyone knows he was trying to invent an incandescent bulb. But what was the state of development when he began? Clark tells us about the carbon-arc lamp and the Jablochkoff candle, but little about earlier work on incandescent lamps. He mentions names and dates of prior investigators but tells us nothing about the details of their work.

We are told that Edison, from the beginning, sought a sturdy, incandescent element of large resistance that would not quickly burn out or melt. We are told that Edison made hundreds of trials searching for a material to serve as a filament. But we are given absolutely no information about these trials or the pattern of the search. Was it random? Did Edison proceed alphabetically through some list of materials? Did he instead focus on certain sorts of materials, and if so, why? Did he use his knowledge of chemistry to aid him in the search?

And, finally, was his success due to his perseverance and extensive search, or was it basically due to the availability of the Sprengel pump, which permitted higher vacuums? The latter alternative (which I consider more likely) prompts the question of why other experimenters did not use this pump before Edison.

Clark correctly points out that the development of the lamp was only the first step. More important was the development of a distribution system requiring a nearly constant voltage under varying loads. This meant, Clark tells us, that the dynamo for the system needed to be redesigned. But that is all he tells us about the new dynamo. We do know that it was not sufficiently novel to be patented. And when the efficiency of the dynamo was to be increased, we are treated to another account of Edison's trial-and-error method. But surely there was some kind of plan, some kind of reliance on guiding principles. Thus, all we really learn from Clark's account is *that* Edison developed a successful incandescent bulb, redesigned dynamos, and made them more efficient. We have absolutely no insight at all into Edison's thoughts.

There are certain pitfalls to be avoided in describing the problems addressed by scientists and inventors.

Suppose one were, however, to dismiss as too stringent my concern for clear statements of the problem from several viewpoints and of the strategy of attack. After all, we can read about the life and loves of a general without bothering about the details of various battles, campaigns, or wars. Perhaps we should just take the author's word that such and such was an important discovery and should not demand, in addition, a clear account of what was discovered and how. But now we encounter Clark's Whiggish bias.

Clark apparently attributes much of Edison's success to his single-minded pursuit of a solution to the problem at hand. That Edison was not so easily turned away from his projected goal is il-

(*Continued on p. 41.*)

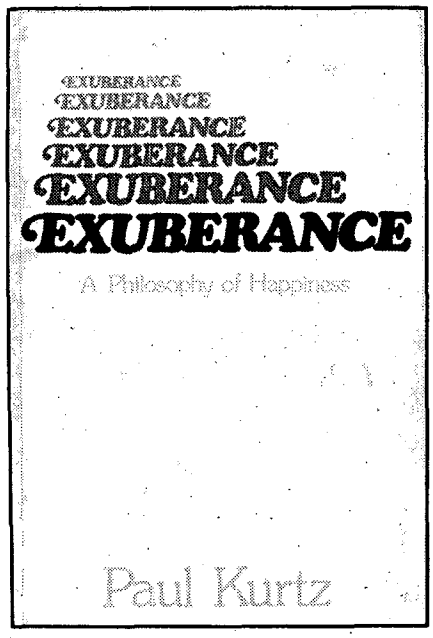
Exuberance
By Paul Kurtz
Buffalo: Prometheus Books. 178 pp.
$8.95.

MOST PHILOSOPHERS write for an audience of other philosophers, who are professionally trained in complex argumentation, accustomed to detailed analysis, and familiar with academic style. One unfortunate result of this is that the ordinary person is not the immediate beneficiary. As often as not the lay person, beginning a philosophy book, is soon nodding—not in agreement, but at the threshold of slumber.

Paul Kurtz's book *Exuberance* is a welcome exception. A philosophy book accessible to and written for a general audience, Kurtz's discussion is stimulating, intellectually responsible, and personal in style as well as enthusiastic in tone. This is evident from the opening lines: "There must be something wrong with me. I am happy, exuberant. This has been true for as long as I can remember. Am I sick? Those around me seem to moan and complain. . . . Why am I happy? What does it mean to be satisfied—deeply—with life?"

What follows is an extended answer to this question. Kurtz champions the activist attitude toward life, connecting happiness with freedom and the power to control our individual destinies. He contrasts this position with that of the self-sacrificing saint whom he finds to be "dominated by over-belief and repression"; with the contemplative meditator, who withdraws into an isolated world; with the pleasure seeker, who is forever unfulfilled; with the conventional establishmentarian, whose life motivation is to meet social obligations; and with the utopian revolutionary, who sacrifices individual growth for the sake of some unobtainable ideal. Each of these, Kurtz argues, is extremist, lopsided, narrow-minded, life-denying, and thus highly unlikely to end in fulfillment and joy. In contrast, the activist manifests "the dominant virtues of modern man: the willingness to take destiny in one's own hands, to tempt fate and to turn it about to suit himself."

The activist is a modern Prometheus, who realizes that freedom entails the exercise of power. We are free to the extent



that we have control over our lives, which in turn is measured by the power that we are able to demonstrate creatively. Thus, freedom is neither a private inner state nor an abstract metaphysical entity. Put simply, it is the ability to act and think in our own terms.

Though Prometheus brought fire from heaven some legendary time past, the modern mentality is plagued by a sense of powerlessness. Kurtz roots this impotence in fears of uncertainty, which thwart not only our creativity but our coping mechanisms as well. Where once we sought to prevail, it is now a virtue to cope, to simply maintain. What is required is a shift in perspective, so that the uncertainty of life is transformed into the gateway to drama and diversity, excitement and suspense. If ambiguity and uncertainty lead to dread and anxiety, it is not from any logical necessity, as the Existentialists seem to imply, but from other reasons or causes. The well-trod path may be comforting and safe, but it is hardly adventuresome; the road not taken, hazardous, but filled with possibilities.

When the need for security is the underlying motive of our actions, we run the risk of embracing unfounded beliefs. Here Kurtz begins his discussion of skepticism versus gullibility, which is an excellent and compelling essay in defense of the scientific method as it relates to ordinary life. What the freethinker, rationalist, humanist, and skeptic share in common is "the natural tendency . . . to combat gullibility wherever it occurs." A predisposition to believe in the absence of evidence is prelude to folly, since beliefs have consequences, entail action. Those who are in-

A SELF-HELP BOOK WITH SUBSTANCE

by James E. Chesher

PROMETHEAN LIVES

clined to believe in such things as astrology, scientology, occultism, faith healing, reincarnation, and the like will find this a disturbing and challenging chapter.

SELF AND OTHERS

Besides his enviable clarity, Kurtz has the gift of handling complex issues and ideas without yielding to the academician's temptation—to say every last word and thus lose the reader in the rough terrain of digressions. He does this by anchoring his observations to the context of living a human life. What Kurtz says is ultimately related to human choice, action, and consequence. This is especially evident in his discussion of enjoyment, where he argues for a mean between the extremes of hedonic-phobia (which makes a policy of minimizing pleasures) and hyperhedonism (which makes of pleasure the supreme value). The former is excessively restrained; the latter, indiscriminate. If our pleasures are integrated with the other aspects of our lives, they will be more fulfilling and meaningful. Since there is a relationship between pleasure and conduct, and since pleasures have contexts and are thus related to activities, it is possible to weigh pleasures on a scale of values.

From here Kurtz turns to love and friendship, shifting explicitly and dramatically from an individual's concern for self to his or her concern for others. There is a clear and sensible discussion of the parent-child relationship, which Kurtz sees as best founded on the parent's ultimate concern for the child's eventual autonomy: the goal of parenting is to free the child from dependence. What Kurtz says about the nature and dynamics of parenting has none of the psychological theorizing so often found in print. His observations are refreshingly simple and apt. For example: "To work and save, to plan and conserve are important qualities of character that need cultivation." We must strive to be what we wish our children to become. At bottom, successful child raising requires reasoned choice and reflection, not technical or theoretical expertise.

We need to be reminded that we are already equipped to handle life's problems if only we have the courage to face the facts and take the reins rather than losing ourselves in the evasions of abstraction and theorizing, complaining and fault finding. Many people are lonely because they have forgotten that "friendship... must be based upon a general concern for the other. This means that a number of moral virtues are present: caring, honesty, sincerity, trust." It is very nearly a conceptual truth that a caring, honest, sincere, and trusting(worthy) person will have friends.

When Kurtz speaks of moral virtues he is not speaking from a premodern, quasi-religious conception. Morality is viewed as a creative activity rather than as a response to a frozen absolute independent of lived experiences. Morality is neither a legalistic nor an ecclesiastical matter but is born of human choice, which emerges from concrete and unique situations. We learn to be moral, not by following rules, but in discovering "that we can't consistently lie or cheat or use violence with those we deal with, or else trust and honesty will break down. The moral principles governing transactional living and working together become apparent."

DYING, PART OF LIFE

The book ends appropriately with an essay on death. Given that "the ultimate good for each person and the basic source of all human values is life," how should one face death? The fact of death brings us into direct encounter with the meaning of our life, by providing the widest context within which to assess ourselves. Human beings alone are aware of their eventual death, and our attitude toward this knowledge can either inspire or distort our lives. Kurtz argues diligently against belief in immortality: such a belief is totally unfounded and robs us of the capacity for full moral responsibility. He is unrelenting, nearly intolerant: "The believer in immortality is fixated on death, yet he endeavors to deny its awesome reality. This means a failure to face the finality of death and an inability to see life for what it is."

If these words seem harsh, it is because Kurtz believes that we ought to keep faith with truth, not illusion; that genuine courage is preferable to false consolation. Except for sudden, unexpected death, dying is itself an activity, something that we can do well or poorly. If we do it well, we shall have the satisfaction of seeing our lives come clearly into focus, as when a complex work of art reveals its meaning and the various aspects that formerly vied to capture our attention come together all at once.

Exuberance is not a major philosophical contribution in the academic sense. It is not a book in epistemology or ethics, logic or metaphysics. It makes no attempt, pretentious or otherwise, to solve the traditional philosophical problems once and for all. It will not be a standard text of required reading for philosophy majors. In a sense, the book is a manifesto, not a dissertation. In very straightforward terms it charts the topography of the free and active life, offering a series of challenging reminders. It is—one hesitates to say, because the word is losing currency—a book of wisdom, free of platitudes. I suspect that Kurtz's colleagues will admire this little book. It is the kind that many people will wish they had written and almost everyone will be glad to have read. ◻

Mr. Chesher, a previous REASON contributor, alternates between teaching philosophy at Santa Barbara City College and house painting.

Schagrin

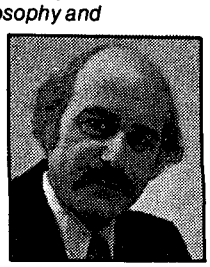
(*Continued from p. 39.*)

lustrated by his criticism of one of his workers: "When he happens to note some phenomenon new to him, though easily seen to be of no importance in this apparatus, he gets side-tracked, follows it up and loses time." Yet Clark seems disappointed that Edison himself did not "follow up" the phenomenon known as the Edison effect, where electrons are emitted into the space around a glowing filament. Had he done so, Clark implies, he might have discovered the radio tube nearly 20 years before J. A. Fleming. Aside from this Whiggish appraisal of the situation, it is highly unlikely that Edison would have done so, since he did not work with alternating currents. Moreover, Edison *did* follow up on the Edison effect and incorporated it into a patented device for indicating voltages.

Then, Clark's allusion to Edison's work on "wireless telegraphy" when he discusses Marconi's invention certainly can mislead the reader into thinking that Edison has some claim to being a precursor of Marconi. A closer look at Edison's work, however, shows that he had a device for producing "controlled static," not tuneable high-frequency electromagnetic oscillations. Again the Whig distorts the picture.

I would return, in conclusion, to the general principles for scientific biographies. They should tell us what the contemporary situation was, what the subject did, and how it was done. From such an account we can learn in what ways the subject was very much like you and me and in what ways he or she was quite different—a genius perhaps. ◻

With a background in physics and philosophy, Professor Schagrin specializes in the philosophy and history of science. He is currently chairman of the Philosophy Department at SUNY College at Fredonia and is the author of a programmed-learning textbook in logic, The Language of Logic.



Sorting Out the New Economics Texts

Which books provide a solid free-market introduction to economics?

by Gene Smiley

NOT SO LONG AGO, anyone who set out to learn or teach about the economics of a minimum-government free-market system had relatively few texts to choose from. There were Alchian and Allen's *University Economics* and its direct offspring, *Exchange and Production*, but most of the other texts (not all—for example, Roger Miller's *Economics Today*) seemed to be under the sway of two influences.

The first influence was the so-called Keynesian economics, which was touted as the cure-all for aggregate economic fluctuations via government spending and taxing decisions. The other was economists' penchant for resorting to the language of mathematics in the interests of greater "rigor"—minimizing, at least implicitly, the importance of such major microeconomic realities as risk, uncertainty, and transactions costs. Under the assumption of certainty, firms in "imperfectly competitive" markets allegedly know where their demand curves are and act accordingly by restricting output, charging "monopoly" prices, and receiving "monopoly" profits.

These two influences made their mark upon introductory economics texts, which taught that government interference in the economic system is both necessary and highly desirable. Big Brother in Washington could provide economic stability with full employment at an engineered rate of economic growth and could save the consumer from monopoly power by intervening in the "imperfectly competitive" marketplace to create and maintain competitive conditions.

Though simplified above, this was the way most introductory economics texts told the story. Government was characterized as a necessary supplement to the "invisible hand" of the free marketplace. Textbook authors were so enamored of Keynesian macroeconomics that many placed it before microeconomics, ignoring individual human behavior—which is the foundation of all economic activity—and presenting economics as akin to a physical science through which the economy can be manipulated to achieve presumably desirable goals.

Fortunately, this situation is beginning to change. In the past few years introductory economics texts with a free-market orientation have appeared on the scene, and the ones with which I am familiar are the subject of this survey.

A Primer in Economics
By Belton M. Fleisher, Kenneth J. Kopecky, and David Terry Paul
Beverly Hills, Calif.: Glencoe Press. 1976. 471 pp.

The Economic Way of Thinking
By Paul Heyne.
Chicago: SRA. 1976. 2d ed. 336 pp.

Choice and Change
By William Dickneider and David Kaplan
St. Paul, Minn.: West Publishing. 1978. 355 pp.

People and Markets
By Robert Campbell
Menlo Park, Calif.: Benjamin/ Cummings Publishing. 1978. 355 pp.

The first four books listed here are one-semester texts. They are all excellent and share some features. They are well written and easy to read. The discussion of microeconomics (prices and markets) is generally well done. And all four are specifically designed to be a short introduction to economics. They do not simply collapse a more extensive treatment (normally covered in a two-semester course) into a smaller book. They concentrate on fewer but more fundamental topics, make limited use of graphs and algebra in presenting economic concepts, and rely more on verbal logic reinforced with plentiful examples. The four books can be evaluated by briefly examining their handling of three issues: monopoly markets, the role of government, and macroeconomics—precisely the areas in which earlier texts were largely deficient.

MONOPOLY

Each of the books tends to downplay the importance of monopoly in the American economy and to zero in on government's role in *creating* monopoly-like conditions.

A Primer in Economics emphasizes government-instigated entry barriers such as licenses and farm-support programs as the most important source of monopoly power. Collusion and "predatory pricing" are mentioned as sources, but it is pointed out that the greatest force working against the monopolization of markets is the profit motive, which attracts interlopers if the cartel or firm practicing "predatory pricing" is successful. The treatment of "natural monopolies" (resulting from economies of scale) includes a discussion of the many undesirable consequences of regulating natural monopolies. The authors present a case for having periodic competitive price (rate) bidding to determine who would provide the services.

The Economic Way of Thinking has an excellent treatment of monopoly markets. This is hardly surprising, for Heyne openly acknowledges his debt to Alchian and Allen. Finding the word *monopoly* extraordinarily ambiguous, he rejects it as well as the empty expression *administered prices* and instead discusses "price-searching" markets. Heyne, too, attributes any significant market power to the set of privileges and restrictions accorded by governments.

The *Choice and Change* text is in several ways similar to the Heyne text, and the authors also acknowledge a strong intellectual debt to Armen Alchian, who, they say, "taught us economics." One rather original approach is to begin every chapter with three topical questions and to present extensive answers (really dis-

cussions) of them at the end of the chapter. The questions for the chapter on monopoly, for example, are about statements by Attorney General Griffin Bell and Senator Hubert Humphrey concerning market dominance, "big firms," and "administered prices."

The authors of *Choice and Change* present the standard analytical concepts for monopoly but discuss "price searchers" rather than "price setters." After relating the standard scenario that extranormal profits are generated in more "concentrated" industries due to the greater market power, they discuss the difficulties with measuring and interpreting intra-industry concentration ratios — plus the difficulties firms have in establishing and maintaining collusive agreements—and the empirical evidence against the supposed concentration-profits relationship.

The treatment of monopoly, or market power, is least satisfactory in Robert Campbell's *People and Markets*. He outlines the analytical characteristics of various price-searching markets—"strong price searchers," "weak price searchers," and "oligopolies"—and then develops a hypothetical firm and examines and evaluates its behavior in these market structures. Unfortunately, he devotes far too much space to "oligopoly" and bilateral bargaining, or bilateral monopoly, and to what he calls the paradox of the "prisoner's dilemma." Though this *may* aid in explaining firm behavior where a small number of firms operates (and it is not clear that it does), Campbell does not really discuss the reasons for "monopoly power." He mentions the legal rules supporting or strengthening collusion or agreement among sellers but seems not to recognize that these, like other things he mentions, are "barriers to entry." He falls prey to the idea that advertising by the "big few" can be anticompetitive and "wasteful." As do so many others, Campbell suggests that the structure of the market can be essentially determined by examining the number of explicitly competing firms. The old assertion of competitive or "predatory" pricing is once again raised. His concluding comment that the best restraint is in the form of "potential" competition is on the right track but is rather hesitant.

GOVERNMENT'S PLACE

The handling of the proper role of government in the economy is less consistent in these texts. *A Primer in Economics* has no chapter on this topic, although short discussions of particular roles of government are integrated into other chapters, and it becomes clear that the authors support a minimal role for government.

Heyne does have a chapter, "Government and the Market," in which he suggests that government be viewed "as an agency for accomplishing people's purposes in situations where the power to compel cooperation may significantly reduce transactions costs." He warns the reader that the word *may* is important because the evidence from extensive government activities indicates that this is not always so. The proper role of government is clearly a difficult topic, and Heyne's brief discussion is not always ideal nor clearly presented. The chapter is intended to be a bridge from the micro to the macro portions of the book, but it does not do this well and, because of its brevity, is not an adequate discussion of the appropriate role of government in a market economy.

Choice and Change, in addition to short discussions of particular roles of government in various chapters, spends two chapters near the end of the text on government's role, which the authors would keep to a minimum in a free society. In "Choices about Taxes and Government Spending," the authors discuss the expanding role of government in the American economy, "public goods," and "fiscal policy." Their final chapter, largely devoted to a brief discussion of "democratic capitalism" and other economic systems, emphasizes that economics and politics are clearly allied and influence each other. Like many other chapters, it generally refrains from drawing explicit conclusions, but in this case the chapter clearly suffers from its ambiguous nature.

Of these four books, *People and Markets* has the most extensive discussion of the role of government. In a section titled "Markets and Society," three of the six chapters take up the problems of externalities and market exchange; "political economy," including the nature of governmental or public choice, majority rule decisions, representative government and the market for votes, regulation of private markets, and bureaucracies; and the appropriate scope of economic policymaking by governments.

The final paragraph of this final chapter clearly states Campbell's position: "The institutions of the market and of relatively free exchange are closely associated with the institutions of limited government and personal freedom. They propose the kind of society that leaves each of us as free as possible—as long as we do not infringe upon the freedom of others—to explore new ways of pursuing and extending our interests. To protect and improve these institutions ought to be the major task of an ecological social and economic policy."

MACROECONOMICS

Few introductory economics texts do a good or even adequate job of presenting macroeconomics. Most thrash about wildly because they are tied to Keynesian analysis. And this "analysis" is at best misleading, since it assumes that an economic system can settle into an *equilibrium* with substantial amounts of involuntary unemployment—then attempts to explain why. Behind this is the assumption that individuals never voluntarily choose unemployment as their best perceived alternative for any significant length of time. One of the phenomena leading Keynes to write the *General Theory* was the continuously high unemployment rate in Great Britain during the 1920s and '30s, yet recent research by two University of Washington economists suggests that Great Britain's high interwar unemployment rate was due to lavish and easily obtainable unemployment benefits. At best, then, Keynesian analysis has severe problems.

In my opinion, the chapters on macroeconomics in the first book are a dismal failure in contrast to its preceding sections. The authors attempt to use a supply-and-demand-curve analysis—a rather unconventional and difficult approach to macroeconomics. Moreover, when examined, it simply turns out to be the standard Keynesian analysis of discretionary fiscal and monetary policy.

Heyne has a better treatment, though his order of topics is confusing. He presents the simple Keynesian analysis and then, in a chapter on fiscal and monetary policy, finally brings in the income velocity of money, the equation of exchange, and the monetarist explanation. Then he explains that fiscal policies really work (if they actually do) by their effect on monetary conditions.

Choice and Change is better still in its macroeconomics. The authors lead into the analysis from chapters on employment and wages and unemployment. What money is, how it is created and controlled, and the effects of changes in the money supply from a monetarist viewpoint are clearly and succinctly examined. The next chapter briefly presents the Keynesian approach. The crucial distinctions between the Keynesian and monetarist approaches are clearly laid out, and taxes/government spending and inflation/unemployment are explained from each approach.

People and Markets has a drastically different approach. Campbell says mac-

roeconomics really concerns problems of "market coordination—of getting markets to work together as part of a coherent social system." It consists of general equilibrium adjustments and is a logical extension of microeconomics. One of the more important elements in this market coordination is money, and Campbell examines what money is, how it is created, who controls its creation, how it works to coordinate markets, and how money changes can disturb market coordination. Thus, his approach is (correctly) a logical extension of his microeconomic analysis. There is no place in this framework for any Keynesian "aggregate demand" analysis or "fiscal policy," and Campbell does not present any of the Keynesian analytical apparatus. Though very brief and quite unorthodox, his sections on macroeconomics are very good.

Because of his approach to macroeconomics, Campbell's text does not have a fundamental problem shared by the other three. Each of the latter fails to address an important problem associated with discretionary fiscal policy via government spending on public goods and services. If the production and distribution of these goods and services are so important that they cannot be left to the "whims" of the free market, why is the *public* production and distribution of these same goods and services left to the whims of the unemployment rate?

All four of these texts are good introductions to economic analysis. Each has its drawbacks as well as strong points. In all four, the microeconomic analyses are well done, emphasizing how markets work, the role of inventories, uncertainty, information costs, middlemen, and speculators. The texts all have a strong free-market approach. Although *Choice and Change* clearly has the best presentation of the Keynesian and monetarist approaches, Campbell's unorthodox approach to macroeconomics is very appealing. Any one of these texts is excellent for a less technical introduction to economics and an excellent route to understanding what Heyne calls "the economic way of thinking."

Elements of Microeconomics
By Robert S. Main and Charles W. Baird
St. Paul, Minn.: West Publishing. 1977.
257 pp.

Elements of Macroeconomics
By Charles W. Baird
St. Paul, Minn.: West Publishing. 1977.
306 pp.

Basic Economics
By Edwin G. Dolan, with David E. Lindsay
Hinsdale, Ill.: Dryden Press. 1977.
630 pp.

Introductory economics texts designed for the standard two-semester courses tend to be longer, cover more topics, and go into more detail. The above fit this category. Both the *Elements* pair and *Basic Economics* are free-market-oriented and work from "methodological individualism"—their analyses are of how individuals, rather than groups, behave. The government or any particular government agency such as HEW or EPA does not act; the individuals within them act. Compared to other such texts, the macroeconomic analyses are more neoclassical- (or market-) oriented and less interventionist in approach.

The Main and Baird microeconomics text is an excellent exposition of minimum-government, free-market economics. (Again, the authors acknowledge a great debt to Alchian and Allen's works.) With chapters on exchange and comparative advantage, the authors early in the book introduce the possibility of specialization and *voluntary* exchange—in which there are no losers and only gainers, while with *involuntary* exchange there is a loser for every gainer. The idea is then presented that "middlemen" can perform valuable services by lowering the costs of these transactions.

The text abounds with real-world examples and applications. The chapter "Restrictions and Markets" covers collusion and cartels (and their inherent instability), bribery and corruption, and the effects of labor unions. Another considers the consumer movement, regulation, and advertising, together with common misconceptions about them. Also discussed are property rights, externalities and pollution, highway congestion and car pools, traffic safety, aerosol spray cans, and income distribution—including the economics of voluntary redistribution, or charity. Firms, too, receive a good treatment. While firms are a most basic and pervasive institution in market economies, internally they do not operate along market lines. I know of no other introductory economics text (with the exception of Dolan's *Basic Economics*) that asks and explains why this is so.

The companion text, *Elements of Macroeconomics*, is one of the very best introductory macroeconomic texts available. It is an unabashedly monetarist-neoclassical (or market-oriented) text. It uses much of the familiar Keynesian terminology that is so ingrained in the economics profession, but Baird states in the preface, "Some of the shibboleths of income-expenditure analysis—e.g., the paradox of thrift and the balanced budget multiplier—are challenged immediately after they are exposited."

Chapter Three, "Neither Thieves nor Philanthropists," discusses Say's Principle and is unique to this text. Though the discussion is somewhat difficult, it is also crucial to the rest of the text's presentation. Important topics in macroeconomic adjustment—largely ignored in most other texts—are skillfully presented. The principles are reinforced by continual application to the events of recent years. This is a *very good* macroeconomics text.

Edwin Dolan's *Basic Economics* is also excellent. A shortcoming is its exposition of macro- prior to microeconomics. Dolan is quite clear in his preface about the reason for this order: "The number one concern that draws students to the principles course is the problem of inflation and unemployment." He does indicate how the text can be used for a micro-macro sequence, and part one of the text (prior to the macroeconomics section) is a thorough introduction to markets and the price system. He ends the macro section with a recital of the limitations of macroeconomics—"We are back, it seems, to the theme with which we began this book. Economics is about People. It is not about aggregate demand, or expansionary gaps, or Phillips curves except when these things are understood as expressions of the way individual people think and act and plan." Given students' present interests, Dolan's approach may be worthwhile.

Dolan's macroeconomic section, however, is not as successful as Baird's. It is not as closely tied together by a consistent monetarist-market approach, nor are the inadequacies of the Keynesian income-expenditure analysis sufficiently stressed. His chapter on unemployment is very good. He examines the problem of defining and measuring unemployment and the process of job search and information costs. The chapter on stabilization policy is another good one. A positive characteristic of the entire text (both micro and macro sections) is its use of particular cases and profiles of many past and present noted economists.

Dolan's presentation of microeconomics matches up to Main and Baird's. A chapter on the nature of the firm is a good feature of both. Using Ronald Coase's famous 1937 paper, "The Nature of the Firm," Dolan analyzes why firms exist and the nature of their internal coordination. This leads into a discussion of types of ownership, managerial calculation, entrepreneurship—and the latter two are stressed in a good chapter on imperfect competition.

Dolan notes many of the problems of government as a regulator of firm behavior and, in discussing government as a

producer of public goods and merit goods, develops a simple model that demonstrates the difficulties of having the public decide through voting how many goods government should produce. In his section "The Economics of Life on a Small Planet," Dolan takes up problems such as pollution, population and resource growth, and economic development. The last section is a clear and concise comparison of economic systems. This text is an important addition to the growing number of free-market-oriented introductory economics texts.

Scarcity and Freedom
By Heinz Kohler
Lexington, Mass.: D. C. Heath & Co. 1977. 549 pp.

Modern Political Economy
By Richard B. McKenzie and Gordon Tullock
New York: McGraw-Hill Book Co. 1978. 610 pp.

Kohler's *Scarcity and Freedom*, while not a standard-length text and not a free-market text, is included because it has clear and forceful discussions of scarcity, freedom, and the role of government in a free-market society—which he discusses as one kind of arrangement of the economy, the others being a planned economy and an "intentional community" (the Bruderhof and kibbutz, and China and Cuba).

Kohler has a unique chapter in which he defines and explores three meanings of the term *freedom*. Freedom I is the ability to satisfy all material wants; Freedom II, to reject "false" material wants; and Freedom III, to choose without coercion, the key aspect being that "people are not subject to the will of other people." This chapter is very well done and provides the groundwork for characterizing and evaluating the three types of economic systems.

Although Kohler presents the alternatives to free-market economies dispassionately, the clear impression is that they have been much less successful than the US economy in facilitating *any* of the freedoms, including the ones they stress (in the planned economy, Freedom I or II; in the intentional, Freedom II).

What is disappointing is his analysis of the US economy. Evaluated with respect to individual freedom (Freedom III), he misreads how successful the United States has been and makes dubious assertions. He shows a misunderstanding of markets with his assertion of the dominance of "monopoly-like" markets. He uses John Kenneth Galbraith's framework without appearing to realize that Galbraith is (at best) unconcerned about individual freedom but is concerned with Freedom II—advocating that we choose *his* version of the correct values and reject "false" material wants as he (Galbraith) defines them. Kohler ignores, in his discussion of commutative and distributive justice and how the United States attempts to achieve this, that the latter attempt is inconsistent with and inimical to the freedom of individuals to choose freely without coercion. Even with these severe shortcomings, however, Kohler's book is useful for its preliminary discussions.

McKenzie and Tullock have also produced a very unorthodox introductory economics text, although compared to Kohler's text this one is successful in its unorthodox approach. The authors present a minimal amount of traditional economic theory—concentrating on understanding and using market supply and demand curves—and a broad range of applications of this basic economic theory. The title of their text also indicates their return to an older approach and explains the incorporation of such subjects as group behavior and politics.

One of the unique aspects of this text is its use of the idea of social order. The authors discuss the emergence of social order and cover such topics as property rights, anarchy, exchange, communal property rights, ways to internalize social costs, the common-interest theory of group behavior, and the economic theory of group behavior. The market for goods and services is then introduced in the context of social order.

Another aspect of this text is its strong emphasis on public choice and the role of government in an economic system. Price ceilings, regulation, consumer protection, and income distribution are covered, along with broader topics such as the scope and bases of government action, the democratic process, and bureaucracy.

This text has by far the most thorough and knowledgeable analysis of the appropriate and actual role of government in a free-market economy and of the characteristics of public (as opposed to individual) choice. More so than most other texts, it emphasizes applications of the fundamental economic principles it presents. Its drawback (for some purposes) is its liberal use of applications and sharply decreased emphasis on theory. It is, however, an important addition to the growing number of free market-oriented introductory texts.

Economics in Our Time: Concepts and Issues
By Dwight R. Lee and Robert F. McNown
Chicago, Ill.: SRA. 1975. 213 pp.

Economics in Our Time: Macro Issues
By Dwight R. Lee and Robert F. McNown.
Chicago, Ill.: SRA. 1976. 206 pp.

The Economics of Macro Issues
By Roger LeRoy Miller
San Francisco: Canfield Press. 1978. 2d ed. 166 pp.

The Economics of Public Issues
By Douglass C. North and Roger LeRoy Miller
New York: Harper & Row. 1978. 182 pp.

The two books by Lee and McNown are powerful statements of the strength, resilience, and desirability of a minimum-government, free-market society. They are designed to be supplementary readings in an introductory course and contain no graphs nor algebra, yet the verbal discussions of the most important principles are clear and rigorous enough that the books could possibly be used independently of other texts. They include extended discussions of the economic theory of the political process and of the mechanism of social choice, and both are filled with examples and applications showing the effects of interfering in free markets. The authors declare, in the preface to the micro-oriented text, *Issues and Concepts*: "A pervading theme is that government action to correct a market flaw is the substitution of one imperfect mechanism for another. . . . most people either grossly underestimate the ability of the free market to desirably regulate economic activity, severely overestimate the ability of the government to perform this regulation, or both." For understanding the results of government interference in markets (whether in the name of "social justice" or "control of monopoly" or "the best interests of unwitting consumers" or whatever), these two short books must be considered nearly indispensable.

Two more free-market supplementary economics texts are the companion texts by North and Miller. Both are extremely brief and consist of 33 very short essays covering an enormous range of topics. Though less able to be used independently, these two books are a good way to apply the economic principles learned in the introductory courses. For example, the North-Miller text discusses such "public issues" as the population explosion, abortion, "euphoria," safer products, prostitution, "raising less corn and more hell," usury laws, medical care, juries, taxis and jitneys, oil spills, and "clamming and other 'free' goods." Miller's macro text discusses a multitude of problems associated with macroeconomics. Both are concise, highly readable, and consistent ap-

plications of free-market economics and are highly recommended.

This survey has been neither conclusive nor comprehensive. I have discussed *introductory* economics texts with which I am familiar. Nor does this include free-market-oriented texts in intermediate economic theory or in areas of economics. Such texts as Charles Baird's *Prices and Markets: Microeconomics* and *Macroeconomics: An Integration of Monetary, Search, and Income Theories*; Roger LeRoy Miller's *Intermediate Microeconomics: Theory, Issues, and Applications*; Michael Darby's *Macroeconomics*; Douglass North's *Growth and Welfare in the American Past: A New Economic History*; and Gerald Gunderson's *A New Economic History of America* (as examples) are indicative of the rising interest in and appreciation of free-market economics. ◫

Professor Smiley has degrees from the University of Iowa and teaches economics at Marquette University.

McClaughry

(*Continued from p. 32.*)

graft was estimated at $25 million per year, enabling the average inspector to at least double his salary at the ultimate expense of housing consumers.

IN SEARCH OF THE ANSWER

The principal value of Seidel's book is its systematic methodology for estimating the costs imposed on consumers by insane governmental regulation. Like Mayer, Seidel seemingly lacks the nerve to recommend slashing the Gordian knot of governmental madness. Indeed, Seidel believes that the government should even intervene more forcefully in the housing industry—an idea that, especially after Seidel's careful analysis, has about as much merit as that of drinking oneself sober. While he occasionally drops a tantalizing hint of a possible alternative—for example, the French system of insurer-enforced codes—he simply makes no effort to rethink the whole subject in the light of his depressing findings. Seidel, like Mayer, has performed a real service, but it remains to others to move ahead with a free-market policy initiative.

Seidel's proposal for more forceful government intervention has as much merit as the idea of drinking oneself sober.

An author who seems to think he is doing that, in the area of zoning, is Robert H. Nelson. He is a sharp and often perceptive critic of zoning in theory and practice, and his criticism abounds with phrases to call forth libertarian excitement. Unfortunately, the starting point for Nelson's recommendations is a highly dangerous proposition: "Neighborhood zoning... creates a collective property right to the neighborhood environment that is effectively held and exercised by its residents." The problem, Nelson maintains, is that there is no legal market for the exchange of this collective property right.

What, one may inquire, is the origin of this "property right"? To allege such a right is like saying the pedestrian has a right not to be hit over the head by a mugger, where it is meant that for this "right" the innocent citizen must hand over his watch and wallet. In fact, zoning is a simple expropriation of private rights—not of "rights" to invade or injure the property of the neighbors, which are not rights at all, but of the rights to the peaceful use, enjoyment, exchange, bequest, and management of one's property. Depriving a landowner of these genuine rights is not the creation of a collective right. It is theft. A reform of zoning based on the legitimacy of theft is not the sort of "reform" that an honest person will embrace.

After a rather disjointed trip through zoning history, environmental protection, growth controls, and feudalism—a trip enlivened with numerous tributes to private enterprise and property rights that become incongruous when the author's proposal is made—Nelson unveils his plan. He calls it a new form of "private tenure"—"collective neighborhood tenure." The alleged "collective property rights" appear as the property of the "neighborhood association." This supposedly private organization would have the power to levy taxes and adopt and enforce regulations on land use and behavior. Most importantly, for Nelson's argument, the neighborhood association would collectively decide if and when any zoning reclassification should occur in its territory. It would act to rezone when the price became high enough that the great majority of members couldn't refuse. Residents, however, would continue to exert effective control over the *interiors* of their homes—certainly a reassuring thought.

FISH OR FOWL?

Nelson is deceiving himself—but probably not many of his readers—by trying to portray this invention as "private tenure." His neighborhood association is a neighborhood government. While a respectable case can be made for decentralizing governmental functions to a neighborhood level, no such case can be made for trying to disguise this fish—a carp, at that—as fowl.

Nelson seems to be the first, and hopefully the last, modern commentator to advocate the resurrection of simony, branded a mortal sin by Pope Gregory VII in 1073. Simony is the sale of ecclesiastical favors, and those who practiced it were consigned by Dante to one of the lower levels of the Inferno. These favors were not property, any more than anyone's power to forbid another's peaceful use of his land is property. But the sale of favors is precisely what Nelson advocates, not as an evil to be tolerated, but as a reform to be desired.

As a means of inserting certain limited free-market devices into socialism, Nelson's "reform" might have some merit. But in an economic system purportedly built upon a widespread distribution of private property rights, Nelson's attempt to pass off "collective neighborhood tenures" as a form of private property is little more than a Trojan Horse for increased collectivism. While decentralized oppression may be preferable to centralized oppression, it does not share any moral basis with freedom.

No matter how well-meaning it may profess to be, government is a menace to decent housing for Americans.

What, then, should be government's role in the housing industry? After reading Mayer and Seidel, one is hard put to disagree with Elbert Hubbard's pungent phrase: "Keep away from that wheelbarrow! What the hell do you know about machinery?" ◫

Mr. McClaughry, a frequent REASON contributor, is a member of the National Commission on Neighborhoods.

Meeting of the (Free) Minds

The Mont Pelerin Society's 1978 gathering in Hong Kong brought news of encouraging intellectual trends.

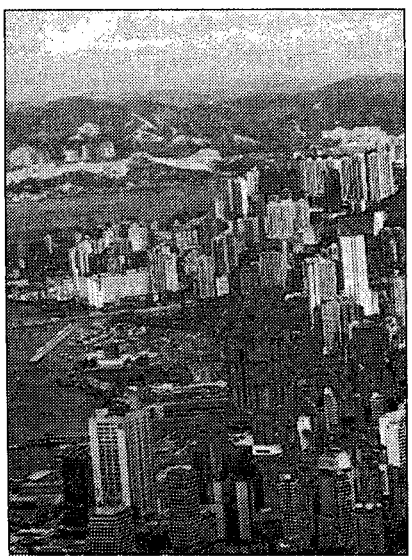
by Tibor Machan

THE ANCIENT CITY-STATE of Athens, where semi-democracy reigned for several centuries, fell into disarray just about when Greek philosophy, cultivated mostly in that famous locale, reached its peak of accomplishment. Today, when collectivism is attaining its greatest impact in the realm of concrete policy—not just in overtly socialist states but all countries of the world—the doctrines of statism are dying or breathing last gasps. And the alternative of a predominantly free social order is gaining significant intellectual attention, even if not full respect.

This good news reverberated in Hong Kong during the five days of the 1978 meetings of that obscure but fascinating group who call themselves the Mont Pelerin Society. In session after session, speakers from around the world reported declining political trends as far as the reign of liberty is concerned. At the same time they gave abundant news of favorably surprising intellectual developments. (Some of the news about concrete events wasn't too bad either, actually. The phenomenon of Proposition 13, of California fame, and the gradual but definite deregulation, both economic and racial, of South Africa were two such heartwarming instances.)

LIBERTY'S LOYALISTS

The Mont Pelerin Society was founded in 1947 by Nobel Laureate F. A. Hayek and held its first meeting in the Swiss Alps, at Mont Pelerin. The idea, as Hayek related it, was to "provide for its members an opportunity to clear their own minds on problems they haven't themselves intensely studied.... It has been a discussion society and not a propaganda society



Hong Kong: Mont Pelerin, 1978

and as such I think it has been extraordinarily beneficial" (REASON, February 1975).

Originally only a handful of individuals were members, including Ludwig von Mises, Ludwig Erhard, and Milton Friedman, but today the membership has reached about 350, with an ever-increasing number of guests interested in being honored by an invitation to join. Concerning the issue of whether the organization should be larger, Hayek noted that "That's a very serious dilemma and I don't quite know what the answer is. It did owe its effectiveness mainly to the fact that it was small. It now mainly serves the interests of people from overseas countries who have little opportunity to discuss their problems with people of similar convictions. And there are so many people who would benefit from being admitted into the discussion that expansion is very difficult to resist. At the same time, the expansion of the society has made it a much less interesting place than it used to be when it was small."

Today the situation seems to have changed little, although Dr. Hayek appears to have reconciled himself to growth, judging by his remarks at the Hong Kong meetings. Along with many others, he has come to see growth as a corollary of the more-favorable reception of the society's few generally agreed upon ideals, including the primacy of political liberty. Indeed, Hayek, who spoke several times during the meetings both as main speaker and as a member of the audience—not to mention as the recipient of a beautiful gift from the membership on the occasion of his forthcoming 80th birthday—appears to be considering some kind of spectacular intellectual event (a well-publicized European conference, a major publication, or whatnot) the talent for which he believes should be found among the society's members.

This takes us back to the matter of the development of ideas—in this case, the very good idea of liberty itself. The Hong Kong meetings were attended by some of the most-respected and distinguished advocates of the free society—some actively participating, some members of the audience, some guests, and many of them participants of nightly late-hour discussions. Besides Dr. Hayek, Hong Kong was host to Milton Friedman, Roger MacBride, Murray Rothbard, George Stigler, Gary Becker, Ben Rogge, Arthur Seldon, Arthur Shenfield, David Friedman, David

Henderson, Leonard Liggio, Sudha Shenoy, Alvin Rabushka, Roger LeRoy Miller, and many, many others (from a wide variety of countries) whose names are not so well known.

Talks ranged from some old themes that long-standing participants remember with fondness but also with some impatience—for example, the gold standard versus gradual increase of the money supply—to new ones—for example, the status of Catalonia vis-à-vis Spain. In all the talks there shone through a degree of confidence in at least the current respectability of libertarian ideas, which has not been in evidence throughout meetings of a similar ideological makeup.

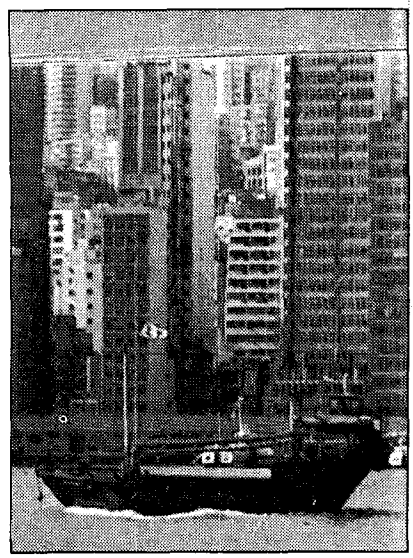
The intellectual composition of the Mont Pelerin Society is focused mainly on economics, with both the "Austrian school" and the "Chicago school" very well represented. Some attorneys and some political scientists can be found, but there are very few historians, philosophers, psychologists, and members of the other arts and sciences. This is not terribly surprising, inasmuch as until recently few intellectuals and academicians could be found who were not either far left or far right of any sort of libertarianism. Economists, for a variety of reasons, have seen fit to think highly of human liberty. And it is no less true, as several discussions at the Hong Kong meetings made very clear, that many economists think of the other academic disciplines as either irrelevant to the problems of social and political life or congenitally confused and "unscientific" about such problems.

LIBERTY'S FRUITS

Hong Kong, incidentally, was an opportune place to have these meetings, despite its tropical humid heat when the meetings were held and despite the considerable distance many American and European members and guests had to travel so as to attend. Hong Kong, albeit a welfare state in some respects, tends to favor free enterprise, with a policy of free trade as part of its government's official propaganda (as well as frequent practice). But don't kid yourself, Hong Kong is no island of complete liberty for the individuals who live there—government owns all of the land, for example, even though the leasing situation and related legal arrangements make matters easier there for builders, owners of apartment and office buildings, and other business, than in many countries with a policy of allowing citizens to obtain nominal title to land. Comparatively speaking Hong Kong *is*, however, the most libertarian major civilized community in the world today. And under Edwin Fuelner's and several others' management, the Hong Kong meetings proved to be an appropriately very fine occasion.

The city itself is constantly alive—sometimes, judging by the noise and traffic and crowds and relatively laissez-faire commercial and private life, a veritable horror chamber for the likes of Ralph Nader. Talk about "noise pollution"—and the dangers lurking above all the pedestrians, what with thousands of plants and banners suspended from the balconies of hundreds and hundreds of skyscraper apartment buildings. Ralph would have had a seizure every minute!

Those who attended the Mont Pelerin Society's meetings showed a very different attitude, of course. Thus, upon hearing that Hong Kong's central cultural complex—comprising museum, concert hall, library, etc.—is a private, profit-making business to an extent unmatched anywhere, the audience broke out into cheers. And there was no one who did not openly delight in the chance to shop in Hong Kong, where prices are never fixed (except



Sightseers' view

for some transportation services) and every merchant is ready to bargain 'til any hour of the night. If Karl Marx were alive and had even a tinge of empiricism to his system, he would flatly reject the theory that commerce engenders mutual alienation in human beings. Only when one feels the guilt of rich liberal-socialists does the Marxian principle apply; not, however, among 350 convinced free traders and the population of Hong Kong's shopkeepers.

LIBERTY'S PROSPECTS

As in Athens, so in contemporary times there are numerous fine ideas that have finally gained a sort of eminence that one did not find even five years ago. Publications, conferences, university graduate departments—these and other elements of the culture show signs of people abandoning confidence in socialism and statism and adopting a respectable attitude toward the libertarian alternative. Statism is in intellectual retreat. Today, it seems that most prominent statist intellectuals, say Irving Howe and Robert Heilbroner, are on the defensive as they attempt to discredit the free market, whereas 10 years ago capitalism could be sneered at without batting an eye.

Does this shift bring with it what some would rightly fear—complacence among those at the forefront of the struggle for liberty? Not if we judge by the talk at the Mont Pelerin meetings. Vigilance, the fear of being blinded by early rays of sunshine, and similar cautionary notes resounded everywhere. Except for a few "hard liners," no one indicated that there are abundant, clear, and unambiguous grounds for optimism as far as general concrete trends are concerned. Some even predicted doom, holding that from an empirical economic analysis we must conclude that the present trends in concrete affairs reflect the desires of the overwhelming majority of people everywhere—indeed, are an expression of their rational self-interest! Others were less pessimistic and fatalistic, recalling that human beings are, after all, often mistaken about their best interest or misguided in achieving it and that people can be re-persuaded about these matters, by libertarians, for example.

The Mont Pelerin Society's proceedings are not subject for news, incidentally, because the meetings are private and the media is not invited. Members and guests who work for the media are permitted to give reports, but any close investigation and reporting of what goes on in the meetings (and around them) would subvert the purpose and atmosphere of the society as originally conceived by Dr. Hayek.

It may be that Dr. Hayek's original idea of a relatively unplanned intellectual society, with but a few basic principles to guide it, reflects the Hayekian confidence in the spontaneous organization of human societies in general and in the prospect of far superior benefits forthcoming from such organization than from more-formal assemblies. If the Mont Pelerin Society is a case in point, we have good news for Dr. Hayek: it is mainly the members of this society, not the thousands of bureaucratic bodies across the globe, who have managed to come to grips with the problems of human societies in general, so that their message, with major and minor variations, echoes Dr. Hayek's own theme—let the people be, and they'll do better in their lives and in the lives of others than all the piecemeal and totalitarian planning has done from the dawn of mankind. ☐

Senior Editor Machan was a guest at the Mont Pelerin meetings.

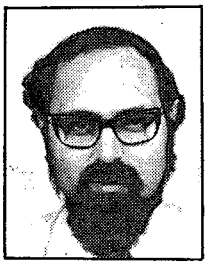
Mack

(Continued from p. 26.)

Belloc writes about "so considerable a number of families and individuals [being] constrained to labor for the advantage of other families and individuals," we naturally think of the servitude of net tax payers to net tax consumers. This reading is encouraged by Robert Nisbet's introductory reference to "relentless taxation, bureaucracy, and coercive regulation." But this is misleading, for Belloc does not take taxation or regulation as such as signs of the servile state. The only time taxation is referred to is when Belloc mentions the "no more than customary dues" that existed in the nonservile distributive state. And Belloc explicitly denies that the factory acts or compulsory education laws contribute to the servile state. For these don't establish a special class of unfree laborers.

That such a general, permanent class has not appeared in the course of interventionist reform in "capitalist" countries—though lots of people are psychologically servile—shows Belloc's central prediction to be mistaken. This mistake seems to stem from his underestimation of the power of free labor in even a semi-free-market system.

Ultimately, the regrettable failure in both Revel and Belloc is the same—a failure to investigate the social and economic characteristics of a human order in which peaceful acquisition, exchange, and association are entirely unrestricted while all forceful and fraud-based deprivations are thoroughly banned. ◻



A frequent REASON contributor, Eric Mack teaches philosophy at Tulane University in New Orleans. He is the editor of a recently published collection of works by Auberon Herbert.

Norton

(Continued from p. 39.)

two but will in many cases produce reverberations for weeks, months, or even years in the mind of the reader. In my own case, at any rate, *The Passions and the Interests* served as a powerful reminder that we human beings are products of collective self-manufacture. The situation lamented by Mill in our citation at the outset, and lamented lately by F. A. Hayek as "the ubiquity of the pecuniary standard," is of our own making.

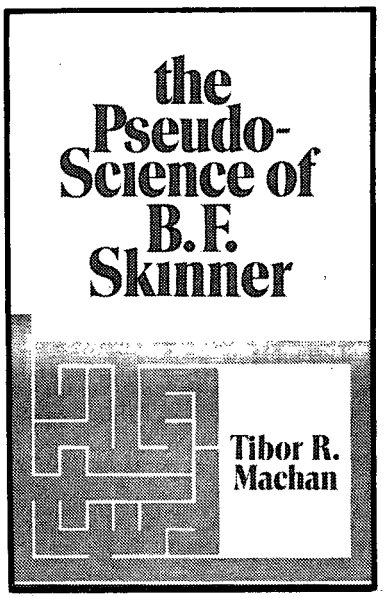
In any case, *The Passions and the Interests* highlights what Hirschman identifies as two kinds of naïveté in current sociopolitical theory. Those who today criticize capitalism in behalf of an ideal of "the whole man" or "full human personality" need to be aware that it was the unruliness of "the whole man," and consequent social disorder, which supplied the original (and political) incentive to capitalism. On the other hand, Hirschman cites Santayana's maxim, "Those who do not remember the past are doomed to repeat it," against apologists for capitalism who propose simply to scrub up and readopt its original principles. Such widespread distresses of our time as are identified by *alienation, anomie, ressentiment,* and *class struggle* require response from defenders of capitalism in terms of a reformulation of its principles.

Those of us among Hirschman's readers who are unregenerate moralists will gravitate to the very beginning of the 400-year history he traces. Here it is possible to give full weight to the political requirement for order that generated the subsequent historical development, while resisting the strategy by which economics achieved ascendancy over morality in the regulation of human affairs. Surely in their historical setting such innovators as Montaigne, Machiavelli, and Hobbes were right to dismiss idealizations and resolve to begin with unvarnished facts. Accordingly, they identified man as a rather nasty brute. With this, we resolute moralists may agree. But we shall contend that the replacement of moral incentives by economic incentives serves to insure that the rather nasty brute shall remain ever such.

In short, what was ignored, if not by the original resolve to begin with the facts, then by the history of this resolve, was human potentiality—specifically, the potentiality to outgrow and overlay purely economic incentives. As an unreconstructed moralist myself, I continue to believe that economic interests are not insatiable in themselves but only are made to appear so by our self-induced blindness to interests of any other sort. ◻

David Norton, the author of Personal Destinies: A Philosophy of Ethical Individualism, *is currently filling a one-year post as visiting professor of philosophy at the University of Hull, England.*

B.F. Skinner Scrutinized



Psychologist B.F. Skinner of Harvard has become very influential. Prison reform, pedagogy, drug addiction programs, public school reform, etc., are guided by his views.

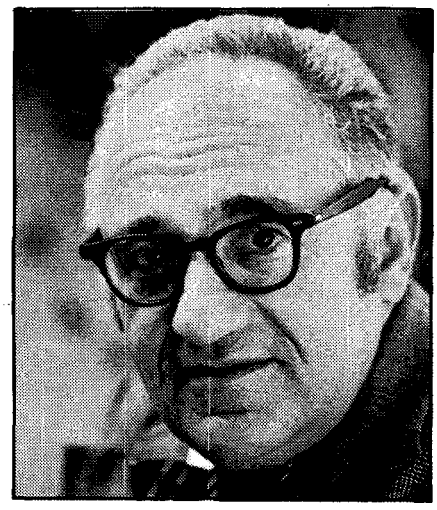
THE PSEUDO-SCIENCE OF B.F. SKINNER shows why adopting Skinnerism is a mistake. Tibor Machan's carefully reasoned and powerfully written work demonstrates that B.F. Skinner is unscientific. But Machan does not end here. He shows that a dynamic and rational conception of science in fact supports a view of human nature and society quite the opposite of Skinner's technocratic totalitarianism.

You can obtain this book from REASON at 40% off the regular price. Send your check or money order for $5.97 to Reason Press, Box 40105, Santa Barbara, CA 93103.

Calif. residents add 6% sales tax.

Optimism and Pessimism in Hong Kong

viewpoint



Murray N. Rothbard

For many years I have been a member of the Mont Pelerin Society, an international group of economists, writers, businessmen, and politicos roughly devoted to the free market. Fortunately—considering the wide spectrum of disagreement among the members—the society doesn't do anything activist; it doesn't lobby, pass resolutions, or even publish journals or papers. What it *does* do it does very well: meet biennially in different countries, hear papers and comments, and foster socialization amongst the members. The last, of course, is the major function, and generally a pleasant time is had by all.

The most recent meeting occurred at Hong Kong, in early September 1978. It was clear from the sessions that a new dispute had taken its place alongside the chronically unresolved ones: fiat paper money versus gold (i.e., Friedmanites and neo-Keynesians versus Austrians and "gold bugs") and money versus unions as the major cause of chronic inflation (this time, Friedmanites and Austrians versus neo-Keynesians and businessmen). The new dispute was optimism versus pessimism, the general estimate of the future prospects for liberty.

The official papers on the topic, with Friedmanite economist George Stigler's presidential address leading the way, were suffused with doom and gloom. The dark night is closing in, statism is accelerating, and the end is nigh. (The only exception among the official papers was a buoyantly optimistic report on intellectual trends in France by libertarian economist Henri LePage.) Fortunately, the Mont Pelerin Society, in its charmingly liberal fashion, allows time and space for rump, or "alternative," sessions by members who want to organize their own panels. In reaction to the official pessimism, Roger MacBride and I hastily organized one, with reports on liberty's prospects from around the globe. We were confident *a priori* that libertarians, in contrast to the conservatives who dominated the official panels, would present a far more optimistic picture for their respective countries.

Our expectations were not disappointed. Everyone was inspired by the vibrantly optimistic reports about the growth and increasing influence of libertarian ideas and organizations in their respective countries, presented by Vivian Forbes of Australia; Rosa Maria Gomar, economics professor at the new private Francisco Marroquin University in Guatemala; Leon Louw, youthful attorney and head of the Free Market Foundation in South Africa; and others reporting on trends in England, Italy, Canada, Luxembourg, Belgium, France, the United States, and even Spain and Portugal.

Our hastily gathered libertarian session on future prospects was more, however, than an uplifting and inspiring counterweight to the official melancholia. For it is no accident that libertarians tend to be buoyantly optimistic while conservatives are suffused with pessimism. In fact, these seemingly purely personal reactions are really a funtion of the general world outlook of both schools of thought.

At first blush, these reactions might seem surprising, since the libertarian ideal is far more remote from current realities than is the goal of conservatives. But there are several explanations for this curious situation.

In the first place, conservatives tend to view history "impressionistically," that is, to focus on the day-to-day march of events and simply lament the growing intervention of the State. In a sense, conservatives tend to be frozen in horror at the seemingly inexorable march of political events. Libertarians, on the other hand, realize that history proceeds "dialectically," in a process of action and reaction. They see that the increasing powers of the State, so unnerving to conservatives, have given rise to an increasing "backlash" of opposition, provoking the reaction of the flourishing libertarian movement, not only in the United States but in a growing number of countries around the globe. The libertarian is, necessarily, *movement*-oriented; to him, it is more important to herald the growth of the movement than to lament eternally the growing powers of the State. The conservative, on the other hand, is, with a few exceptions, not movement-oriented and so tends to despair at the stimulus but to overlook the response.

Since conservatives are long-run pessimists, their strategic perspective tends to be self-destructive and to act as a self-fulfilling prophecy. They channel the bulk of their energies and funding into very short-run political activities: typically, supporting Eisenhower or Nixon. The idea is that all efforts must be focused on *this* election and basic principles must go hang; since if this election is not won, all is doomed. Of course, even if "this" election *is* won, nothing is changed and statism marches onward. Whatever funding or energies are not exhausted in this series of futile skirmishes is then deployed into a kind of "time capsule" strategy: a very low-key keeping the flame of principle alive for later centuries when perhaps the cycle of history will be reversed.

Libertarians tend not to engage in these self-defeating strategies. As long-run optimists, they believe in being both radical *and* strategic, in keeping steadfast to principle while working to advance their principles in the real world. In a sense, while the conservative bifurcates into a dual ultra-short-run/ultra-long-run perspective, the libertarian keeps his eye on a unified "middle run," on a long run within reach through a series of short runs. He understands the dialectic of history and hails the "reaction" of the burgeoning worldwide growth of libertarians organized into an increasingly coherent movement.

There is another fundamental reason why libertarians are optimists while a hallmark of conservatives is their profound pessimism. For the two groups have very different views of *who* the main enemy might be. For the conservatives, the major enemy is democracy, the masses. Statism is the product of howling masses trying to tear down their betters

(*Continued on p. 54.*)

money

1979: Year of the Dollar?

Here's how I think various world markets will look in December *1979:*

- The Federal Reserve discount rate, now in the 7-8 percent range, has fallen substantially from its record high of plus-11 percent in the first half of 1979.
- Similarly, gold, which peaked at $340 per ounce, is in a new bear market.
- Market action is now in stocks and bonds. The Dow Jones index is establishing new records almost daily, and traders who purchased long-term government bonds when interest rates were high have already made substantial profits.
- The year ended on a positive note for the American economy with the US dollar making solid gains against the Swiss franc, Deutschemark and Japanese yen. Indeed, 1979, at least the latter half, could be termed "the year of the dollar."

Predicting the collapse of gold and the rise of the US dollar is not something that will endear me to many gold/hard-money bugs. Yet every dollar has its day, however brief, and all good things must come to an end, if only temporarily.

The best way to lose money in markets is to become emotionally attached to one's investments. This is precisely what happened to gold bugs in 1974. Roaring inflation and the rise of gold justified the hard-money analysis that only gold is money and the US dollar is fated to an inevitable collapse. That analysis is even truer today than it was in 1974.

The rise of gold and the decline of the US dollar is not a straight-line affair, however. In 1974, the higher gold got, the higher were the predictions of how far gold would go. In my opinion, those people who then predicted gold at $1,000 or $1,500 per ounce will be proved right *sometime* in the future. Such advice, however, is valueless if it ignores the market fluctuations that will occur in the meantime.

My first rule of markets is, *Everything that goes up must come down;* my second rule, *Everything that goes down must come up.* Keeping those two rules in mind will not, of course, answer the questions *When?* and *How far?* But they will keep you from thinking that gold can *only* go up and the US dollar can *only* go down.

The US dollar is probably the most volatile commodity traded in the world. The reason is twofold: first, the dollar is the currency of world trade and world finance and is still the premier reserve currency held by central banks; second, the Eurodollar market is the tail that wags the dog. Approximately one-third of the dollars in existence are held *outside* the United States. Only a small proportion of these dollars need to change hands to create a substantial movement in the international value of the US dollar, either up *or* down.

The fact about the Eurodollar market that most people ignore is the nature of the *owners* of Eurodollars. They are financially sophisticated people, willing and able to switch into or out of dollars—or Swiss francs, or sterling, or gold—at a moment's notice. No other currency in the world has such a high proportion of its issue—about one third—held by such owners.

The other two-thirds of US dollars in circulation are owned by "average Americans," most of whom wouldn't know a Swiss franc from a Mexican peso. In the case of other currencies, probably 90-95 percent of the currency on issue is held by such average people who lack financial awareness.

In September 1977, some Arab investors (private individuals, not governments) switched out of dollars into gold and other currencies. Their movement was small relative to US dollars on issue, or in the Euromarkets: about $1 billion. But that movement sparked off a decline of the US dollar that is still in progress now. Even though the economic fundamentals of the US dollar—the inflation rate and the balance-of-payments deficit—are still negative and will probably continue to be negative through 1979, the current exchange rate of the dollar into Swiss francs, yen, Deutschemarks, and other European currencies is "undervalued."

This means that economic forces are at work that will favor the US dollar's value. For example, US exports have become cheaper on world markets while importing into the US has become less profitable. We've also seen an acceleration of foreigners' investment in the United States. To a small extent, this investment has been on the stock market. More important have been foreign takeovers, purchases of real estate, and the establishment of foreign-owned plants in the United States.

The decline of the dollar is having the reverse effect on economies such as the Swiss and Japanese. Though on balance a strong currency is beneficial to a country (see "The Strong Get Stronger," Money, April 1978), this is not to say that strong-money countries will remain unscathed if the US dollar decline is "too far, too fast."

Another important factor is US interest rates. They are currently rising and will continue to rise until the Federal Reserve discount rate is well over 10 percent. Just as inevitably, interest rates will fall. When they do, US stock markets will begin another bull market phase that should take the Dow Jones well over 1,100, and enormous profits will be made in government bonds. Already, looking from Zurich, Munich, or Tokyo, US stocks are considered very cheap. And what, after all, does a Swiss do with his money? Put it in a Swiss bank? No, he looks for more profitable opportunities—in Swiss franc terms, of course!

A combinatioin of falling US interest rates, which will lead to a bull market in stocks and bonds, plus the effect of fundamental forces that will place a bottom on the US dollar, will lead to a substantial flow of foreign money into New York.

As I mentioned, a small shift of Euromoney into or out of dollars has a substantial effect on the exchange rate of the US dollar. If foreigners expect the Dow Jones to rise and if, at the same time, the US dollar has reached a bottom, the subsequent flood of money into New York financial markets will reverse the US dollar decline. A rising US dollar will bring substantial relief to many European and Middle East governments. The Eurodollar tail will wag the dog in the other direction.

All this will, of course, affect gold, precious metals, the Swiss franc, and other hard monies. They will all decline in US dollar terms. 1979 will be a time to take profits in those areas.

Just as fluctuations in the US dollar were wild in the *downward* direction, they could be equally wild *upward.* And, since there is no reason to expect the fundamental long-term weakness of the US dollar to change, this US dollar strength should be reasonably short-lived. From 12 to 18 months after interest rates have peaked, we'll be able to apply this analysis in the *reverse* direction—to predict the renewed decline of the dollar toward its long-term destruction.

—Mark Tier

spotlight

Economics Educator

The struggle for a free society cannot be waged solely with slogans nor by scholars in their academic journals. While economic analysis provides free-market solutions to today's problems, if these solutions are to win acceptance, America's policymakers outside of the economics profession—business executives, politicians, and professionals—must be exposed to the results of the analysis. Economic concepts need to be translated out of academia's jargon and applied to everyday problems. It was with this in mind that William R. Allen created the International Institute for Economic Research (IIER).

Since the institute's inception in 1975, Allen, its president, and professor of economics at UCLA, has successfully undertaken an "educational venture" to apply "well-established economic theory to public policy" and then to disseminate these studies among America's decisionmakers. The IIER fulfills this educational role by distributing public-policy-oriented pamphlets, averaging about 20 pages in length, approximately once a month. Soon the institute will also begin production of a syndicated radio commentary, which will be broadcast on 100 stations. It has a mailing list of over 9,000 names, including 4,000 business executives and professionals, 1,500 members of the media, over 300 academics, all the members of Congress, 800 congressional aides, some members of the executive branch, and many other influential people. Allen believes that on account of "this research and educational effort, there is a fighting chance of influencing some strategically located decisionmakers and spokesmen in both the government and the marketplace."

Institute studies have dealt with such topics as the energy crisis, why government grows, antitrust, advertising by professionals, the multiple tax on corporate income, the effect on corporations of government's attack on private property, and income distribution. To write the pamphlets, Professor Allen has organized an impressive array of scholars, including a former chairman of the President's Council of Economic Advisers, Paul W. McCracken; Nobel Laureates Milton Friedman and F. A. Hayek; the dean of the Graduate School of Management of the University of Rochester, William H. Meckling; and the chairman of UCLA's Economics Department, Harold Demsetz.

The IIER is not attempting to compete with professional economics journals. It is "intended to contribute only marginally, and typically indirectly, to the further development of economic theory per se." Nor are the pamphlets directed toward examining specific legislation before Congress. Allen has instead focused the analysis on general topics, and the pamphlets are often couched in language typically used in introductory college economics courses. He has attempted to create a product for which the reader does not have to labor tediously for hours and that would supply the reader with a general background in the subject.

While the pamphlets have not been aimed at economic specialists, neither have they been written for the mass audience; they are specifically for the country's "movers and shakers." Allen explains that the efforts of the IIER are focused on "the more or less immediate decisionmakers and their aides and advisors. So, in a sense, we start at the top of the decisionmaking pyramid and go as far down as we can." Though he has no basic objection to reaching a wider spectrum of people—as demonstrated by his development of a syndicated radio commentary series and his own participation on radio and television shows—it is simply not feasible financially.

William R. Allen

There is ample evidence that Allen's efforts are achieving the desired results. Some key people around the country are starting to take notice of the institute's activities. One congressman's aide told Allen "that out of the flood of material we get constantly, the material of the institute is, by a considerable margin, the most valuable." Two of Senator Tower's aides described the pamphlets as exactly what they needed to provide the senator with background information on issues. Comments such as these are very encouraging in view of the voluminous amount of often worthless material that Congress receives. Congressional staffs just do not have the inclination, ability, or time to read through the reams of technical documents that cross their desks. Yet Allen recognizes that the educational process takes time. "Results here are not to be expected soon. That does not mean that I lack a sense of urgency. I think it's simply recognizing that any type of educational endeavor takes a while."

Professor Allen is well suited to the task of forming and running the institute. He has been chairman of the UCLA Economics Department, a consultant to the Department of Commerce, visiting professor at several universities, a member of the UCLA faculty since 1952, and president of the Western Economic Association. During 1978 he received the Harvey L. Eby Award for his outstanding teaching ability. A specialist in international economics and the history of economic theory, he is the coauthor, editor, or coeditor of five books.

Allen, whose father was a Methodist minister who preached "what they like to call the social gospel," believes that "it's the world that has changed much more than I have. The world has become more and more radicalized. So views which are quite conservative now were barely right of center and indeed may have been left of center twenty years ago." In fact, Allen wrote Adlai Stevenson's seconding speech at the 1960 Democratic National Convention in Los Angeles. He maintains that the two individuals who have had the greatest influence on his life, other than his parents, are Joseph J. Spengler of Duke, who "was an exhaustive type of scholar," and Armen A. Alchian of UCLA, who is almost "an older brother" and who "finds economics behind every rock." Philosophically, Allen identifies himself with Thomas Hobbes's view that the problem with the state of nature is scarcity, but he finds the solution in Adam Smith's idea of allowing people to follow their own pursuits.

In the short span of three years, Allen has turned the International Institute for Economic Research into a promising educational tool, and its effect is starting to be seen. He accepts the inherent difficulties, however, in trying to educate people, continuing his efforts with the realization that "you cannot turn a person into a renaissance man in a weekend."

—John R. Lott

movies

- **A Woman in Her Window**
- **Days of Heaven**
- **The Revenge of the Pink Panther**

• Romy Schneider, the star of **A WOMAN IN HER WINDOW,** portrays a wealthy heiress, intelligent, sensitive, emotionally flaky.

Man No. 1 is her husband, secretary to the Italian ambassador to Greece. He loves her but knows her all too well.

Man No. 2 is a communist sought by the Greek police, and his hope for humanity lies with Stalin. She is madly in love with him.

The time is 1936, and the Greek dictatorship under Metaxis has just taken over. The Spanish civil war is on. Hitler is arming Germany and preparing for the Anschluss.

This film is no ordinary love triangle. It opens at one of the most beautiful sites in the world, the mountains at Delphi, site of the ancient Greek oracle. They walk in the Delphian ampitheater; when *Oedipus* was performed there, one character remarks, it was timed so precisely that just as Oedipus blinds himself at the end, the sun sinks into the Aegean and the red sky turns gray. The talk turns to the relation between man and the State, between Oedipus and Thebes, between Antigone and Creon. After the rich have been dispossessed, can the State really be trusted to protect the working class? Man No. 1 says no, Man No. 2 says yes. She is nonpolitical and knows only whom she loves.

Bit by bit we learn in a series of flashbacks about her, about Greece, about the conflicting ideologies awave over Europe, about fascism and communism and how these wash over her life. The story unfolds psychologically rather than chronologically yet must be pieced together chronologically by the viewer (each flashback is marked with the exact date)—a fact that will keep the viewer confused unless he pays unremitting attention; it also inhibits his emotional involvement in the story.

It has been popular for years in French films to hate fascism and be sympathetic to communism. The script writer who did the best of these films, *Z*, also did this one. But he may have mellowed through the years, for now neither ism is treated with great sympathy. Perhaps the publication of Solzhenitsyn's *Gulag* in Paris, long before it appeared in English, and its electrifying effect on French thinking (see "The New Philosophers Rock France," REASON, September) had something to do with this. Some of the lines in the script would never have appeared during France's love affair with the left of a few years back. Sample from Man No. 1: "The bourgeoisie don't need to play politics. They deal in money and goods. They leave politics to neurotics." And from Man No. 2, defending human equality: "Equality doesn't mean eating with your servants. It means that you will never be able to say *mine* any more." The implications of such statements are, of course, tremendous, and if everyone fully understood them there would be no socialist governments left. Since such lines pass without comment in the film, one doesn't know whether their implications are realized even by the author; but at least they are there.

In the end, the message is that all political affiliations, even all attempts to work for a cause, are vain and foolish; only love and friendship count—a trite ending after such an auspicious beginning. Yet the film is worth seeing, on one level for the personal lives (insightfully depicted) of those caught in the clash of international movements, at another level for the international movements in which they are caught. The two never really fuse into a chemical combination but only coexist as a mixture, yet the mixture of such elements as coexist here is more satisfying than many a combination that has been fused out of lesser elements.

—John Hospers

• What there is of a story is an old-fashioned love triangle, set in 1916, and unremarkable as a story but with promising new talent (Richard Gere, Brooke Adams, Sam Shepard, Linda Manz). But one shouldn't see this film for the story, which is a set of pegs on which to hang one of the most beautiful visual canvases in American films. The camera engages in a continuous love affair with the American land: the wind stirring through the wheat fields; the harvest, with large threshing crews and old-fashioned threshing machines; the vast bowl of the prairie meeting the inverted bowl of the sky; the feel of the earth at twilight, with grouse and pheasants stalking through the fields; the summer night settling like an enormous mantle over the endless prairie. In no American film within memory has the sight and feel of the earth been so intimately captured. To spend time there, after the factories of Chicago, must indeed have been **DAYS OF HEAVEN,** and in no film since *Dersu Uzala* has the camera kept us so riveted to the soil. This is an aspect of the beauty of America that has seldom been shown on the screen and never half so well. And the dependence of the city on the land is never so dramatically brought home as in this film, particularly in the dramatic scene of locusts destroying a year's crop.

The scene is supposedly laid in the Texas Panhandle, and the stark lines of the farmhouse set against the steel-blue sky are reminiscent of the Texas of George Stevens's film *Giant.* But judging by the terrain, most of the picture must have been filmed in the great spaces of Montana and Wyoming and is reminiscent of Howard Hawks's *The Big Sky.* For the majority of Americans who have never traversed this land, other than by a highway, and for the even greater majority of Europeans who have never seen it at all, this film introduces with warmth and passion the beauty of the vast interior of America. It also brings with it nostalgia for a happier time when work was harder but liberty greater.

If writer-director Terrence Malick never makes another picture after this, he will have added to the American legacy a film as fine in its own medium as the fiction of Willa Cather, Ole Rolvaag, and Hamlin Garland—all literary material thus far untapped by films and all of which deserve to be transmuted into pictures as memorably beautiful as this one.

—J.H.

• There is more than a small streak of déjà vu in **THE REVENGE OF THE PINK PANTHER**—not only in the person of Inspector Clouzot (Peter Sellers) and his usual entourage, but in the story line of the bumbling detective blundering into success through a series of happy and increasingly far-fetched coincidences.

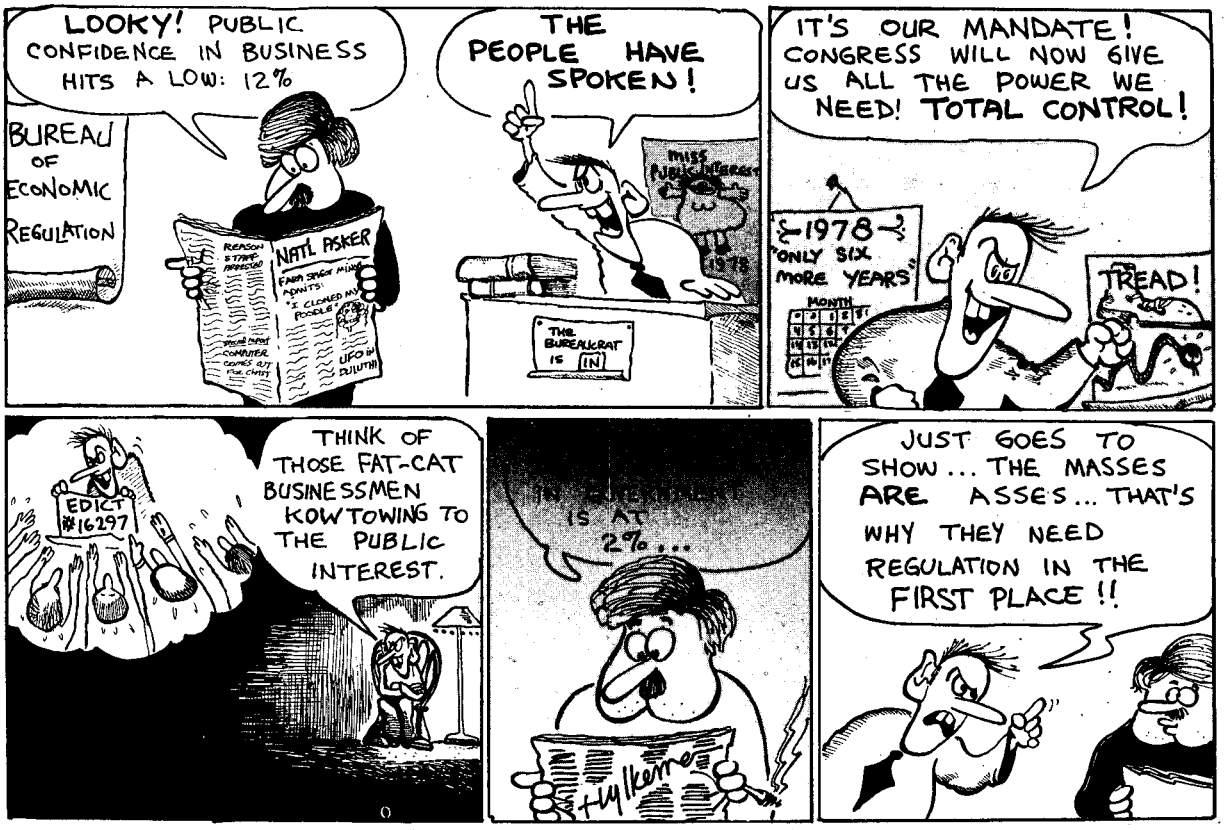
Sellers is, as usual, much better than the material he has to work with. It's a long time between good parts like *I'm All Right, Jack* and *Dr. Strangelove.* Dyan Cannon puts her all into the part, as always. Some day she will receive a role worthy of her very considerable talents.

Here and there are moments of wild slapstick à la Chaplin, bursting into genuine humor like fitful lightning flashes over a dull landscape. The funniest scene of all involves not Sellers but Herbert Lom, his detective competitor through this interminable series of films, giving a funeral eulogy on Clouzot full of double entendre. The chase scene in Hong Kong has its moments. Otherwise, it's pretty thin soup.

—J.H.

rudebarbs

by Randall K. Hylkema


LOOKY! PUBLIC CONFIDENCE IN BUSINESS HITS A LOW: 12%
BUREAU OF ECONOMIC REGULATION
NATL PISKER
THE PEOPLE HAVE SPOKEN!
THE BUREAUCRAT IS IN
IT'S OUR MANDATE! CONGRESS WILL NOW GIVE US ALL THE POWER WE NEED! TOTAL CONTROL!
1978
"ONLY SIX MORE YEARS"
TREAD!
EDICT #16297
THINK OF THOSE FAT-CAT BUSINESSMEN KOWTOWING TO THE PUBLIC INTEREST.
IS AT 2%...
JUST GOES TO SHOW... THE MASSES ARE ASSES... THAT'S WHY THEY NEED REGULATION IN THE FIRST PLACE!!

viewpoint

(Continued from p. 50.)

through egalitarian and welfare measures. If so, once universal suffrage is attained, individual liberty is doomed; for then the masses are ineluctably in the saddle, and Chaos and Old Night are inevitably at hand. If universal suffrage is the great fly in the ointment, the only solution is to restore property qualifications for voting; but the chances for this are close to nil, so pessimism becomes the only sane outlook for the future.

It is no accident, therefore, that Professor Stigler's speech was profoundly pessimistic. He has adopted the new Friedmanite (Chicago school) line that governmental intervention is neither mistaken, irrational, nor the imposition of sinister interests; it is brought about by the mass of voters, by the general public, and it *is* in their actual economic interest. In short, in a democracy, the masses run the show, and they are getting what they want and what truly benefits them. As Stigler despairingly concluded, there are only two courses of action left to the free-market advocate: either take one's place, as cheerfully as one can, on the planning board of the socialist bureaucracy and try to moderate it with bits of the market; or try to restrict the popular suffrage.

The libertarian, in contrast, does not consider the general public his major enemy. He considers the enemy to be the State, to be those vested interests that run the State and benefit from its rule — in short, the ruling classes. He regards the masses, not as benefiting from statism, but rather as duped by the State and constituting its major victims. The general public would be his true ally if only enlightened of the real situation, believes the libertarian. And since such enlightenment is hardly as quixotic as restricting the suffrage, the libertarian is far more optimistic than the conservative. More than that: he sees that statism is now foundering on its own inner "contradictions" and that the intellectuals and the general public are more and more perceiving this fact and therefore enlisting in the growing libertarian and antistatist backlash.

The observed difference between libertarian optimists and conservative pessimists, then, is neither inexplicable nor a quirk of personal temperament. It is a function of profound and systemic differences of social philosophy and world outlook. ◻

letters

(Continued from p. 10.)

to use in this process. The problem is that "man's life" is applicable only to life and death situations, and we really face very few of those. Most decisions we must make are between equally pro-life alternatives, like guitar playing vs. writing. So Objectivism provides no standard for making the vast majority of the decisions we must make.

We could (and should, I believe) make these choices according to the standard of which will make us happy, but Rand does not permit that. She says: "To take 'whatever makes one happy' as a guide to action means: to be guided by nothing but one's emotional whims.... to turn oneself into a blind robot, operated by unknowable demons." As Greenberg notes: "As far as Rand is concerned, there is only one objective standard, and that is 'man's life.' Pleasure and happiness are simply not objective grounds for action under any circumstances."

In my opinion, there is a fundamental contradiction between individualism and any set of objective values that are supposed to hold for all persons. If Rand were

Get in on the action . . . with FRONTLINES

The first newsletter to cover the libertarian movement — every shade and faction of it.

What the libertarian movement has lacked is a *newsletter* in the true sense of the word. A publication that provides real news, covers up nothing, comes out on schedule, and gives information you can use in time to use it.

Now, however, you can get all these things—in FRONTLINES, the brand-new newsletter from the editors of REASON. FRONTLINES will be all the things a libertarian newsletter should be. It will thereby fill a real need—one that has existed for a long time—and one that REASON itself couldn't fill due to its broader role as a magazine.

What we've done, therefore, is to create a whole new concept in libertarian publications. We began with several of the activist-oriented features from REASON—the Frontlines column, those Foreign Correspondents active in overseas libertarian movements, Washington Watch. Then we added news items on libertarian activities and personalities, provocative articles on strategy and tactics, opinion pieces on libertarian controversies. We're also including letters from readers and uninhibited classified ads. And to top it off: an up-to-the-minute calendar of activities, so you can learn of all important libertarian events *before* they take place.

In FRONTLINES you'll read the views of Libertarian Party strategists—*and* anti-politics libertarians. Abolitionists will cross swords with gradualists, anarcho-capitalists with limited governmentalists. The point is not controversy for its own sake. Rather, we believe a healthy libertarian movement requires an atmosphere of free discussion—not a rigid "party line." FRONTLINES won't read anybody out of the movement.

In short, FRONTLINES will be unique: the first—and only—newsletter to cover the entire libertarian movement, across the country and around the world. The ideas, controversies, personalities, events, successes, and failures of libertarians everywhere—all will be chronicled in FRONTLINES.

And you can get in on the ground floor. As a Charter Subscriber you can get the first 12 monthly issues of FRONTLINES—sent by *first-class mail*—for only $12, a *20 percent saving* off the regular $15 price. And as a Charter Subscriber, you're guaranteed the lowest available price in perpetuity.

So don't delay. Clip or copy the coupon below and order your Charter Subscription today.

FRONTLINES, P.O. Box 40105, Santa Barbara, CA 93103

☐ Sign me up as a Charter Subscriber to FRONTLINES. My check or money order for $12 is enclosed. (Payment must accompany order.)

Name _____

Street _____

City/State/Zip _____

($20 per year, via airmail, outside U.S. and Canada)

truly an individualist, she would accept subjective values that differ from person to person. Every person (unless a twin) is genetically unique, and everyone's personal history is unique. This uniqueness causes every person to have a hierarchy of values that differs in detail from that of every other person. But these subjective values are not the floating nebulosity that Objectivists imply, because any one person's hierarchy is definite and fixed at any one given time. One can define his own hierarchy by introspection, by applying the standard of his own happiness to all possible choices. This method will not yield universal, objective values, which do not exist among unique individuals. This method is indeed hedonism, which is not the alchemical system that Beaird says it is. Hedonism is, in fact, the only proper ethical system for non-religious individuals who reject domination by any external authority.

My only important disagreement with Greenberg concerns his shying away from fully accepting hedonism. Instead, he attempts to set up his own system based on a new concept of pain, which I don't find convincing. Greenberg takes us a long way in the right direction, but he is still intimidated enough by Rand's condemnation of hedonism that he hasn't the nerve yet to take the logical last step.

Jim Stumm
Kenmore, NY

Alienated?

Paul Beaird's review [September] of my book, *Ayn Rand and Alienation*, could

HELP !

We are in the process of establishing a stateless community: a place for productive individuals to earn their living in an exhilarating and exciting atmosphere where the death-dealing hand of the state is largely absent.

We have funds - but not enough people, who want to be free and are willing to work. We need people with skills, to start and staff stateless firms; we also have positions that require no skills, just a willingness to learn.

These positions are not the kind you should jump right into; they require a new kind of thinking - thinking, that is, without chains.

If you're interested, send four US first-class stamps for information:

Anthony Hargis & Co.
Suite 105W
1525 Mesa Verde Drive East
Costa Mesa, CA 92626

TRENCH KNIFE
Name
Address
City
State
Zip
This eleven-inch knife weighs 20 oz. We don't know where they were made, and we have a very limited quantity. The handle is solid brass and the blade is stainless steel. Price is $20. We pay postage. ORDER BY MAIL from The CASS Company, Dept. RV:
348 West Rayen, Youngstown, Ohio 44502

World Famed BREVETTATA
Tear Gas Pistol
SOLD DIRECT BY MAIL
REQUIRES NO PERMIT
Solid metal construction with bulldog grips, looks like a real gun. Stops aggressor without permanently injuring him. Gives needed protection for people who work in lonely, dark locations. Ideal night security for wives and daughters. Still no federal permit or license needed, but not sold to minors. Fires seven cartridges without reloading. The price of each gun-unit includes one gun, ten rounds of tear gas shells, and all shipping cost. Prompt shipment. Insured. We've been selling tear gas equipment for the past fourteen years. Thousands of satisfied customers.
1 Gun-Unit $17.00
2 Gun-Units @ $15 ea. ..... (total $30)
3 Gun-Units @ $14.50 ea. (total $43.50)
4 Gun-Units @ $14 ea. ..... (total $56)
6 Gun-Units @ $13 ea. ..... (total $78)
Extra tear gas shells ..... $3 for ten
Blanks for practice ..... $2.50 per 100
Holsters ..... $2.50 ea.
Tear Gas Antidote, Bottle $2.88
NAME
CITY
ADDRESS
STATE
ZIP
Enclosed is Check for $
Money Order for $
or charge my Master Charge BankAmericard
Card Number
Exp. Date
Signature
1975 Brevettata
ORDER BY MAIL from BREVETTATA
Dept. PE, 310 W. 9th St.
Kansas City, Mo. 64105
BANKAMERICARD
master charge

Form 3526
STATEMENT OF OWNERSHIP, MANAGEMENT AND CIRCULATION
(Required by 39 U.S.C. 3685)

1. Title of publication: Reason. 2. Date of filing: October 1, 1978. 3. Frequency of issue: Monthly. A. No. of issues published annually: 12. B. Annual subscription price: $15.00. 4. Location of known office of publication: 1129 State St., #4, Santa Barbara, CA 93101. 5. Location of the headquarters or general business offices of the publisher: same. 6. Names and complete addresses of publisher, editor, and managing editor: Publisher (*Name and Address*): Reason Foundation, Box 40105, Santa Barbara, CA 93103; Editor (*Name and Address*): Robert Poole, Jr., Box 40105, Santa Barbara, CA 93103; Managing Editor (*Name and Address*): Marty Zupan, Box 40105, Santa Barbara, CA 93103. 7. Owner. Name: Reason Foundation. Address: Box 40105, Santa Barbara, CA 93103. 8. Known bondholders, mortgages, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities: none. 9. (inapplicable).

10. Extent and Nature of Circulation	Average No. Copies Each Issue During Preceding 12 Months	Actual No. Copies of Single Issue Published Nearest to Filing Date
A. Total No. copies printed (*Net Press Run*)	17,635	16,700
B. Paid Circulation		
1. Sales through dealers and carriers, street vendors and counter sales	185	170
2. Mail Subscriptions	15,969	15,031
C. Total paid circulation	16,154	15,201
D. Free distribution by mail, carrier or other means samples, complimentary, and other free copies	248	235
E. Total Distribution	16,402	15,436
F. Copies not distributed		
1. Office use, left over, unaccounted, spoiled after printing	1,233	1,264
2. Returns from news agents	0	0
G. Total	17,635	16,700

11. I certify that the statements made by me above are correct and complete, signature and title of editor, publisher, business manager, or owner: Robert Poole, Jr., Editor. 12. For completion by publishers mailing at the regular rates. In accordance with the provisions of 39 USC 3626, I hereby request permission to mail the publication named in Item 1 at the phased postage rates presently authorized by 39 USC 3626. Signature and title of editor, publisher, business manager, or owner: Robert Poole, Jr. Editor.

Coming Next Month:

In the wake of America's worst aviation disaster — the San Diego collision of a 727 and a private plane — many observers are calling for an increase in the budget of the Federal Aviation Administration, the agency charged with promoting air safety. This would be a serious and tragic mistake, argues Robert Poole in next month's cover story. For the FAA has proved it is completely inadequate to the task. In this pathbreaking piece of work, Poole shows how and why the FAA has failed—and what should take its place. Also in the January issue: a free-market solution for the West Bank, a new look at the role of the presidency, a case study of socialist failure in the Bahamas, a look at what's behind all those ads telling you to write to Pueblo, Colorado, Jim Davidson's Viewpoint, Tim Condon's tax column, and all of REASON's other departments and features.

hardly have been a more precise exemplification of the book's title and subject.

The review, composed mostly of lengthy and irrelevant discourse on philosophic history, along with pedantic lecturing on what "we" are supposed to learn from the moral lessons of Ayn Rand, happens to mention in a lone sentence in the final paragraph, as an aside, that I "also speculate about why some of Ayn Rand's admirers exhibit certain psychological... traits." Period.

Huh? Wha? "Certain traits"? "Speculates"? The book is specifically about those traits—namely, emotional alienation and psychological depersonalization—and far from the brief, casual speculation suggested by Mr. Beaird's comment, more than half the book is directed at demonstrating in concrete detail how and why those traits were and are aggravated or caused by adherence to the platonic—i.e., fundamentally nonpersonalized—ethics of Objectivism. That Beaird manages to ignore this is an indication that psycho-emotional issues are largely meaningless to him. (And his "representation" of my philosophical arguments is so erroneous, distorted, and attenuated as to be shocking to me. He also fails to mention the book's introduction, a short story which, to my knowledge, has not failed to get a strong reaction of one sort or another from anyone who has read it.)

Most of the long-time Objectivists I've met—and I've met many in the 14 years since my introduction to Objectivism—acknowledge the strange and negative states of mind widespread in the movement. Indeed, it and its members were such that many look back on themselves and "those times" in disbelief, saying that one just had to have been there to "understand." A book which attempts to explain the causes of those problems (indeed, the first one) is what Mr. Beaird refers to in all of his graduate-student wisdom as "amateur psychological speculation" about "certain psychological traits" by an "unserious thinker." This also in the face of the fact that libertarianism itself has been dealt many serious setbacks by the psychological, political, and moral factionalism in its ranks—a factionalism which no one (until now) has traced explicitly to fallacies in Rand's ethics, yet precisely this is identified and spelled out in my book.

Even had he not introduced the rhetorical tactics he did, any general use of the term "unserious" in regard to these subjects, this book, or its author, is to make dubious the reviewer's basic philosophical competence.

What finally denies that competence, however, is Beaird's grossest omission: A total failure to mention the subject of the second half of the book, the portion which

Gold and Silver
517-351-3466

Price counts. At Liberty Coin Service we have been offering investors the lowest prices on gold and silver coins since 1971.

Consider, the following price chart. All are actual prices, including commissions, quoted by telephone during the first week of January of 1978.

U.S Silver Coins [per $1,000 face]

	Jan. 2	Jan. 3	Jan. 4	Jan. 5	Jan. 6
LCS	*Closed*	3550	3460	3495	3510
Bramble		3700	N/A	3600	3600
Numisco		3650	3536	3608	3624
IPMC		3684	3603	3653	3645

South Africa Kruger Rands (price for 20 coins)

LCS	*Closed*	3645	3570	3615	3610
Bramble		3690	N/A	3680	3640
Numisco		3708	3625	3677	3677
IPMC		3768	3682	3736	3742

Liberty Coin makes the following claim: **Our prices are lowest**. And we invite you to call our competitors and compare. Then call us. You will save money.

Of course, service counts too. And Liberty Coin Service offers fast reliable service. All orders are processed the day received. Normally, shipment is made within 24 hours of our receipt of good funds.

And we publish a monthly "Report to Our Clients" that keeps you informed of the precious metals situation. It just may be the only letter around that isn't hard sell. We think you can make up your own mind.

And when you do make up your mind, we think you will deal with us at Liberty Coins. Because price and service count.

For further information, write or call for our "Gold and Silver Information Packet".

300 Frandor Ave. ● Lansing, Michigan 48912
(517) 351-4720

OR

constitutes its heart and soul, the portion in which I present an alternative to Rand's standard of value, an alternative which is simultaneously personalized (emotional) *and* objective (conceptual). This standard, I argue, is none other than happiness—but happiness defined *objectively* (and, I believe, originally) as "consciousness *qua* consciousness," a rigorously reasoned conception offering a concretized, personalized, emotion-focused, but objective and therefore rational frame of reference for action (a consistent, nonanarchistic laissez-faire politics included). All this Beaird refers to covertly as my "alchemistic rediscovery of hedonism."

This review, I'd like to add, is not uncharacteristic of responses to my book coming from a certain type of intellectual.... All of them have one thing in common, or seem to, at least: fear.

Sid Greenberg
New York, NY

Editor's reply: When we were urged by some friends to review *Ayn Rand and Alienation*, we turned to Mr. Beaird, formerly a successful computer scientist, now a successful graduate student in philosophy, and someone who has exposed his Objectivist leanings to rigorous philosophical training. Mr. Beaird submitted a brief (as requested) and very direct criticism of the author's arguments and ideas, whereupon we suggested that he place these issues in a larger context. Otherwise, why should we ask our readers to consider this work, given the reviewer's assessment of it? Mr. Beaird, therefore, should not be blamed for trying to make more of this work than perhaps is warranted.—**M. Z.**

---

classifieds

ANNOUNCEMENTS

STOCKHOLDERS ARISE! Did your corporation or broker contribute AGAINST Proposition 13? Over 120 did! Free list: Stockholder Burden, 4623 San Feliciano, Woodland Hills, CA 91364.

BOOKS

"SURVIVAL / DEADLY COMBAT / Self-Defense / Wilderness Living / Guerrilla Warfare"...Books. Manuals...Latest catalog, $1.00. Ken Hale (R-100), McDonald, OH 44437.

DEFENDING THE UNDEFENDABLE by Walter Block. "Controversial!" "Startling!" "Illuminating!" Special price: only $9.95! *Money-back guarantee*, if unsatisfied. Or send for free brochure. Fleet Press, Box 2R, BK, NY 11235.

EMPLOYMENT

WRITER-EDITOR. Newsletter Publisher seeking experienced individual to take charge of monthly publication. Must understand and be able to communicate to the needs and wants of the entrepreneur. Position is flexible and can be handled on a part-time basis from anywhere in the U.S. Attractive corporation package. Write to Box 5D, REASON.

LIBERTARIAN LAW STUDENT, graduating May 1979, desires position with libertarian-oriented firm, organization or company. Willing to practice anywhere. Resume upon request. Box 6E, REASON.

WE OCCASIONALLY NEED qualified freelance ghostwriters for articles and books on business and popular science subjects. Replies must describe your experience, qualifications, and rates. Box 4C, REASON.

ENTREPRENEURIAL? An individual with oceanographic background is sought for an exciting project with considerable potential. Contact the Sabre Foundation, 221 West Carrillo, Santa Barbara, CA 93101, or call 805/965-7947.

FINANCIAL

BUY SILVER COINS at face value. Complete details $2.00. Satisfaction guaranteed. Bannon, Dept. R-4, P.O. Box 942, Pittsburgh, PA 15230.

FINANCING. Any amount. For any worthwhile purpose. Business, personal, educational, start ups, expansion, consolidation, inventions, venture capital, and grants. Full information $1.00. Gary S. Rea, 12012 Camelot Dr., Okla. City, OK 73120.

PERSONALS

DON PILIPOVICH. Immediately upon reading this, break all speed records to see me. Ignore all CHP's, sheriffs, speed limits (as usual), and other symbols of the police state. Present this for one copy of *Man, Economy and State* with my compliments. Anarchically, TIM HUNTLEY.

NEED NEW ID? Change name/age. Cover past. Get degrees, better jobs, new credit. Details 25 cents. Eden Press, Box 8410-RD, Fountain Valley, CA 92708.

HOW TO AVOID TAXES—LEGALLY!! Includes how to avoid social security—legally. Details 50 cents. Monarch 7R12, Box S, Euless, TX 76039.

EDUCATORS—If you have some practical, real-world approaches on how to privatize schools in a receptive community, let us know. Write soon to School Project, 805-A West Figueroa, Santa Barbara, CA 93101.

THE IMMORTAL TEMPLE: an altar to man's glory. To Robert Charles Van Orden or anyone who knows him or his whereabouts, please contact Mon-art Pon of Starship Aurora, P.O. Box 4265, Edmonton, Alberta, Canada T6E-4T3.

BEAT TAXES! Stop paying withholding, Social Security, property taxes. "TAX WARS" tells how! Details 25 cents. Eden Press, Box 8410-RT, Fountain Valley, CA 92708.

PRODUCTS

CAN CHRISTMAS BE OBJECTIVE? Buy a 3/4" solid 14K gold dollar sign in a tie-tack, pin & catch or necklace (chain *not* included). Only $28.50 or $15.00 Sterling Silver. David Hester, 4030 Holland, Dallas, TX 75219.

QUALITY CONTEMPORARY WOODWORK. Your designs or mine. Shipped worldwide. No reproductions or mass productions. Prototypes/copyrights honored. Please call 305/732-7752. Loao.

EMERGENCY FOOD SUPPLIES being offered thru the Neo-Life Company. The Panic Pak is nutritious and moderately priced. Also, vitamins, food supplements, cosmetics, and Neo-Trim (a pounds-off program). Distributors also wanted. Write Neo-Life, 2076 S.W. Vermont St., Portland, OR 97219.

FIND OUT ABOUT the new technology of life extension. Our annotated bibliography is derived from primary scientific literature. *Not* faddist. $1.00 — money-back guarantee. Dawn Enterprises-RE, Box 90913, Los Angeles, CA 90009. SASE for catalog of vitamins, other nutrients (as powders, wholesale only).

PUBLICATIONS

FLATULENT? Read Ben Franklin's historic, long-suppressed essay of 1780 on (believe it or not) farting. Hilarious! Suitable for framing. $3. "Franklin Essay," Box 69, Carrboro, NC 27510.

ABORTION IS AGGRESSION. Libertarianism is pro-life. Read: *The Abortion Debate from the Libertarian Pro-Life Perspective* plus *The 'Right of Abortion': A Dogma in Search of a Rationale* (a critical analysis of Rothbard's, Machan's, and Block's pro-abortion arguments). $1.00 postpaid. LIBERTARIANS FOR LIFE, 13424 Hathaway Drive, Wheaton, MD 20906. 301/460-4141.

SERVICES

LIBERTARIAN LAWYER — LIBERTARIAN CAUSES. Handles major and complex litigation—criminal and civil, IRS cases, regulatory cases, etc. Former Federal Prosecutor (knows the enemy). If you have the money, gold, silver, trade or barter, etc., I've got the time and the knowledge to FIGHT for you. What is the law?—The law is truth. Write or call: SHELDON R. WAXMAN, J.D., 30 W. Washington St., Suite 915, Chicago, IL 60602. 312/782-1360.

RATES: 25 cents per word, $5.00 minimum. For REASON box number instead of personal address, add 50 cents per insertion. Forwarding postage paid by advertiser. *All orders must be accompanied by payment,* and copy should reach us by the first day of the second month preceding the month of issue (e.g., advertising for the March issue, which is mailed in early February, should reach us by Jan. 1.)

THE CLASSIFIED AD DEADLINE FOR THE FEBRUARY ISSUE IS DECEMBER 1st.

"Self-esteem comes from refusing to live lies"...

SELF-ESTEEM AND THE ART OF BEING — A forty-hour Intensive Workshop conducted by DR. NATHANIEL BRANDEN. Its aim: to enhance the level of the participants' self-esteem and thereby to enhance the capacity for creativity and love.

For most of us the great, undiscovered continent is the internal world of private experience. Our greatest problem is self-alienation — loss of contact with who we are, what we feel and what we know. The exercises and processes of the Intensive allow us to re-discover the self we have lost. We experience the clarity and freedom that emerges when we are ready to know who we are — and to respect our own powers.

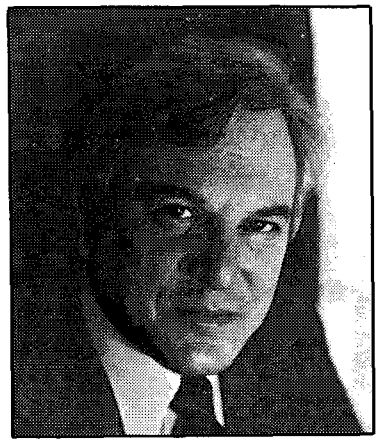
The values taught in the Intensive — through a variety of experiential learning situations — are self-awareness, self-acceptance, self-responsibility, self-assertion, and personal integrity. These are the requirements of a healthy self-esteem.

The importance of self-esteem

Self-esteem is the experience of being competent to live and worthy of living. The level of our self-esteem is the single most potent factor in determining our effectiveness as human beings, in the areas of work, love, and human relationships generally.

Most of us know that we are not living to our potential. We would like to feel less tense, confused, frightened and guilty — and more alive. We sense within ourselves the capacity for greater creativeness and greater happiness in romantic and family relationships than we have ever experienced.

SELF-ESTEEM AND THE ART OF BEING aims at putting us in contact with our own highest possibilities. It operates in an atmosphere of warmth, respect, and great regard for human dignity.



Nathaniel Branden is the author of *The Psychology of Self-Esteem, Breaking Free,* and *The Disowned Self.* He is in private practice in Los Angeles, is Executive Director of the Biocentric Institute, offers training to psychologists, psychiatrists and other mental health professionals, and conducts INTENSIVES in major cities throughout the United States.

Learning to honor ourselves

"Self-esteem comes from refusing to live lies or to fake who we are," holds Dr. Branden. The distortion of our reality — the denial of our perceptions and feelings — begins in childhood. Fortunately, we do not have to be stuck there.

Most of us carry within us a good deal of buried childhood fear, anxiety and pain that obstructs our life as adults. Through confronting and re-experiencing these feelings we can learn to let go of them — to break free. We can accept the words of James Thurber: "Let us not look back in anger, or ahead in fear, but rather around in awareness."

Learning to hear — and love — the music inside of us

The art of being is the art of knowing and accepting who we are, at every moment of our lives. It is the art of awareness without denial or avoidance. It is the knowledge that we do not exist to fulfill anyone else's expectations or demands. It is the ability to relax into the fact that our lives are our own to live and that the responsibility for our happiness is ours to take.

Why the Intensive works

"It is not simply the nature of the experience, but the particular focus distinctive to Nathaniel Branden's work: his ability to create a world in which people feel it's right to be at their best; his focus on the fundamentals of our experience as human beings, our sense of ourselves and our desire to get the most out of life; his integration of our physical, emotional and intellectual selves; his knowledge that we grow by experiencing and that we need understanding of our experience for it to be clear and lasting; and the example he provides by the intensity of his own commitment to life."

Reason Magazine,
Dr. Cheri Adrian

Make the commitment to your own life

Telephone or write for information on how to participate in the

INTENSIVE, SELF-ESTEEM AND THE ART OF BEING

New York—Los Angeles
Chicago—Detroit—Toronto
Denver—Seattle

THE BIOCENTRIC INSTITUTE

9255 Sunset Boulevard, Los Angeles, California 90069 • (213) 274-6361

LAISSEZ FAIRE BOOKS

Reason — *Liberty • The Natural Economy • The Benevolent Society* — Dec 1978

BOOKS REVIEWED IN THIS ISSUE

THE SERVILE STATE by Hillaire Belloc	**$2.00/$ 8.00**
EDISON: The Man Who Made the Future by Ronald Clark	**$12.95**
EINSTEIN: The Life & Times by Ronald Clark	**$ 2.95**
THE PASSIONS and the INTERESTS by Albert O. Hirschman	**$ 2.95**
EXUBERANCE by Paul Kurtz	**$ 8.95**
THE BUILDERS by Martin Mayer	**$15.00**
ZONING AND PROPERTY RIGHTS by Robert H. Nelson	**$16.95**
THE TOTALITARIAN TEMPTATION by J.F. Revel	**$2.95/$ 8.95**
PSYCHOBABBLE by R.D. Rosen	**$ 8.95**
GOVERNMENT REGULATIONS and HOUSING COST by Seidel	**$15.00**
A TIME FOR TRUTH by William Simon	**$12.50**
JUST AND UNJUST WARS by Michael Walzer	**$15.00**
THE WAY THE WORLD WORKS by Jude Wanniski	**$12.95**

RECENT ADDITIONS

THE MACHINERY OF FREEDOM by David Friedman. A defense of private property institutions (the machinery of freedom) showing how private property and the free market are far more practical and desirable than coercive governmental institutions. Covers numerous contemporary economic and social problems, shows how a future libertarian society might work, and suggests how it could be achieved. (1973, hd, 236p) **$10.00**

THE INFLATION CRISIS, AND HOW TO RESOLVE IT by Henry Hazlitt. A clear and up to date analysis of the causes, consequences and cures of inflation. Hazlitt details the pernicious nature of inflation and shows that "there is no safe hedge against inflation except to stop it." He upholds the gold standard as opposed to Friedmanite "monetary rules" or Hayekian paper money. (hd, 190p) **$8.95**

THE ULTIMATE FOUNDATION OF ECONOMIC SCIENCE by Ludwig von Mises. An exposition of the methodological principles of Austrian economics offering detailed criticisms of positivism and macroeconomic concepts. Also analyzes many of the popular economic fallacies that are based on positivist and macroeconomic ideas. (1962, 138p) **$4.95/$15.00**

WELFARE: THE POLITICAL ECONOMY OF WELFARE REFORM IN THE UNITED STATES by Martin Anderson. A detailed and exhaustive critique of contemporary welfare programs and the built in institutional barriers that perpetuate the current mess. (hd, 238p) **$10.00**

FOR A NEW LIBERTY by Murray Rothbard. Revised and expanded paperback edition. **$4.95**

THE AUSTRIAN THEORY OF THE TRADE CYCLE and Other Essays by Mises, Haberler, Rothbard & Hayek. (bklt, 45p) **$1.50**

THE CLASH OF GROUP INTERESTS & OTHER ESSAYS by Ludwig von Mises. (bklt, 28p) **$1.50**

BEST SELLERS

POLITICAL PHILOSOPHY

Bastiat, **THE LAW, $1**
Campus Stds Inst, **THE INCREDIBLE BREAD MACHINE, $1.95**
Friedman, **THE MACHINERY OF FREEDOM, $10**
Hayek, **THE CONSTITUTION OF LIBERTY, $5.95/$12.50**
Hayek, **THE INTELLECTUALS & SOCIALISM, $1**
Hayek, **LAW, LEGISLATION & LIBERTY, Vol. 1, $4.45**
Hayek, **LAW, LEGISLATION & LIBERTY, Vol. 2, $4.95/$10**
Hess, **THE DEATH OF POLITICS, $.50**
Hospers, **LIBERTARIANISM, $10**
Lane, **GIVE ME LIBERTY, $2**
LeFevre, **THE PHILOSOPHY OF OWNERSHIP, $2.50**
MacBride, **A NEW DAWN FOR AMERICA, $.95**
Machan, **HUMAN RIGHTS & HUMAN LIBERTIES, $11.95**
Machan (ed), **THE LIBERTARIAN ALTERNATIVE, $8.95/$13.95**
Mill, **ON LIBERTY, $2.25**
Morley (ed), **ESSAYS ON INDIVIDUALITY, $8**
Nock, **OUR ENEMY THE STATE, $4.95**
Nozick, **ANARCHY, STATE & UTOPIA, $5.95/$12.95**
Oppenheimer, **THE STATE, $3.95**
Paine, **THE ESSENTIAL THOMAS PAINE, $1.50**
Rothbard, **FOR A NEW LIBERTY, $4.95** (due in Nov.)
Schiff, **THE BIGGEST CON, $5.95**
Simon, **A TIME FOR TRUTH, $12.50**
Spencer, **THE RIGHT TO IGNORE THE STATE, $.50**
Spooner, **NO TREASON: The Constitution of No Authority, $1**
Spooner, **VICES ARE NOT CRIMES, $3.95**
Tucker, **STATE SOCIALISM & ANARCHISM, $1**

ECONOMICS

Armentano, **THE MYTHS OF ANTITRUST, $11.95**
Block, **DEFENDING THE UNDEFENDABLE, $9.95**
Blumenfeld (ed), **PROPERTY IN A HUMANE ECONOMY, $4.95**
Chamberlain, **THE ROOTS OF CAPITALISM, $3.00/$9.00**
Dolan, **TANSTAAFL, $4.95**
Dolan (ed) **THE FOUNDATIONS OF MODERN AUSTRIAN ECONOMICS, $4.95/$12.00**
Friedman, **CAPITALISM & FREEDOM, $3.45/$9.00**
Greaves, **MISES MADE EASIER, $8**
Hayek, **DENATIONALISATION OF MONEY, $6.25**
Hayek, **INDIVIDUALISM & ECONOMIC ORDER, $2.50**
Hayek, **NEW STUDIES In Philo., Polit., Econ. etc., $15**
Hayek, **THE ROAD TO SERFDOM, $3.95/$8.00**
Hayek, **STUDIES IN POLITICS, PHILOSOPHY & ECON., $12**
Hazlitt, **ECONOMICS IN ONE LESSON, $1.50**
Hazlitt, **THE INFLATION CRISIS & How To Resolve It, $8.95**
Katz, **THE PAPER ARISTOCRACY, $4.95/$7.95**
Mises, **THE ANTI-CAPITALISTIC MENTALITY, $4**
Mises, **A CRITIQUE OF INTERVENTIONISM, $8.95**
Mises, **HUMAN ACTION, $20**
Mises, **NOTES & RECOLLECTIONS, $9.95**
Mises, **ON THE MANIPULATION OF MONEY & CREDIT, $14**
Mises, **PLANNING FOR FREEDOM, $4**
Mises, **SOCIALISM, $15**
Mises, **THEORY OF MONEY & CREDIT, $6**
Mises, ***THE ULTIMATE FOUNDATION OF ECONOMIC SCIENCE*, $4.95/$15**
Mises, Margit, **MY YEARS WITH LUDWIG VON MISES, $9.95**
Moss (ed), **THE ECONOMICS OF VON MISES, $3.95/$12**
North & Miller, **ABORTION, BASEBALL & WEED, $1.75**
Rothbard, **AMERICA'S GREAT DEPRESSION, $4.95/$12**
Rothbard, **THE ESSENTIAL VON MISES, $1**
Rothbard, **MAN, ECONOMY & STATE, $10/$30**
Rothbard, **THE CASE FOR A 100% GOLD DOLLAR, $2**
Rothbard, **POWER & MARKET, $4.95/$15.00**
Rothbard, **WHAT HAS GOVT. DONE TO OUR MONEY?, $2**
Smith, ***THEORY OF MORAL SENTIMENTS*, $2.95/$9.95**
Smith, **WEALTH OF NATIONS** (complete), **$6.95**

HISTORY

Ashton, **THE INDUSTRIAL REVOLUTION, $2**
Bailyn, **THE IDEOL. ORIGINS OF THE AMER. REVOL., $3.50**
Flynn, **AS WE GO MARCHING, $3.45**
Hayek (ed), **CAPITALISM & THE HISTORIANS, $2.95**
Kolko, **RAILROADS & REGULATION, $4.25**
Kolko, **TRIUMPH OF CONSERVATIVISM, $5.95**
Liggio, **WHY THE FUTILE CRUSADE?, $1.50**
Martin, **MEN AGAINST THE STATE, $2.50**
Martin, **REVISIONIST VIEWPOINTS, $2.50**
Martin, **SAGA OF HOG ISLAND & Other Essays, $3.95**
Oglesby, **THE YANKEE & COWBOY WAR, $1.95**
Radosh, **PROPHETS ON THE RIGHT, $5.95**
Radosh & Rothbard, **A NEW HISTORY OF LEVIATHAN, $3.45**
Rothbard, **CONCEIVED IN LIBERTY, Vol. 1** (1600-1700), **$15; Vol. 2** (1700-1760), **$12.95; Vol. 3** (1760-1775), **$12.95**

OBJECTIVISM

Childs, **OPEN LETTER TO AYN RAND, $.40**
Rand, **ATLAS SHRUGGED, $2.95/$15.00**
Rand, **CAPITALISM, THE UNKNOWN IDEAL, $1.95**
Rand, **FOR THE NEW INTELLECTUAL, $1.75/$10.95**
Rand, **THE FOUNTAINHEAD, $2.50/$13.95**
Rand, **THE VIRTUE OF SELFISHNESS, $1.50**

PSYCHOLOGY

Branden, **THE DISOWNED SELF, $1.95**
Branden, **DISCUSSION OF BIOCENTRIC THERAPY, $1.25**
Branden, **THE PSYCHOLOGY OF SELF-ESTEEM, $1.95**
Browne, **HOW I FOUND FREEDOM IN UNFREE WORLD, $2.25**
Ringer, **LOOKING OUT FOR #1, $2.50**
Schoeck, **ENVY, $3.95**
Szasz, **THE MANUFACTURE OF MADNESS, $3.95**
Szasz, **THE MYTH OF MENTAL ILLNESS, $2.95**
Szasz, **THE MYTH OF PSYCHOTHERAPY, $8.95**
Szasz, **THE THEOLOGY OF MEDICINE, $3.95**

OTHER

Adler, **ECOLOGICAL FANTASIES, $2.95**
"Diogenes," **THE APRIL GAME, $1.50**
Heinlein, **THE MOON IS A HARSH MISTRESS, $1.95**
Mencken, **MENCKEN CHRESTOMATHY, $15**
Mencken, **PREJUDICES, $2.95**
Mencken, **THE VINTAGE MENCKEN, $2.45**
Mitchell, **U.S. ENERGY POLICY: A PRIMER, $3**
Poole, **CUT LOCAL TAXES, $2**
Rickenbacker (ed), **THE TWELVE YEAR SENTENCE, $2.75**
Rothbard, **EDUCATION, FREE & COMPULSORY, $1**
Russell, **THE GREAT EXPLOSION, $1.95**
Sagan, **DRAGONS OF EDEN, $2.25**
Shea & Wilson, **ILLUMINATUS!, 3 vols., $1.50 each—$4.50**
Tuccille, **IT USUALLY BEGINS WITH AYN RAND, $2.95**

Laissez Faire BOOKS

FREE CATALOG

Our catalog, containing over 700 titles on libertarianism, free market economics, revisionist history, philosophy, psychology, education, and other topics, is available free on request.

CREDIT CERTIFICATES

Credit certificates, which may be applied toward future purchases, are given on all orders over $25.00. If your order totals $25 to $39.99, you'll get a credit certificate for $1.00; $40 to $69.99, a certificate for $2.50, $70 to $99.99, a certificate for $5.00; and on orders of $100 or more, a credit certificate for 10% of your purchase.

SATISFACTION GUARANTEED

If for any reason you are not completely satisfied with your purchase, just return the books and we'll promptly refund your money.

Name .....

Street .....

City/State ..... Zip .....

Send your order to **LAISSEZ FAIRE BOOKS, Dept. R-12, 206 Mercer St., New York, N.Y. 10012.**

ORDER FORM

ITEM	PRICE

POSTAGE - Add **$1.00** for postage and handling on all orders — **$1.00**
N.Y. State residents please add appropriate sales tax.

TOTAL .....